

## COMMITTEE ON COMMUNITY IMPROVEMENT

**April 10, 2001**

**6:00 PM**

Chairman O'Neil called the meeting to order.

The Clerk called the roll.

Present: Aldermen O'Neil, Clancy, Cashin, Lopez

Absent: Alderman Wihby

Messrs: R. MacKenzie, T. Fleming, K. Clougherty, R. Sherman, R. Tutora,  
Chief Driscoll, P. Beaudoin, R. Robidas, S. Maranto

Chairman O'Neil asked the Committee to take Item 14 off the table.

On motion of Alderman Clancy, duly seconded by Alderman Cashin, it was voted to remove Item 14 from the table.

Communication from Robert S. MacKenzie submitting updated information  
on HOME projects under Manchester Neighborhood Housing Services as  
requested by the CIP Committee.

Chairman O'Neil stated this has been on the table for a number of months. The Neighborhood Housing people come in faithfully every month to say hello.

Mr. MacKenzie stated we would be happy to walk through it if you would like, although at this point we are available for questions. We also have Neighborhood Housing Services staff here to answer questions.

Chairman O'Neil replied the biggest concern if I remember is what were grants and what were loans. That is the reason this got tabled. Can you walk us through...actually it is pretty clear in the back now. We have had a number of revised charts. Are there any specific questions that members of the Committee have with regard to grants and loans with Neighborhood Housing?

Alderman Clancy asked, Bob, does anybody owe us any money for a number of years. In other words, somebody that got some money and is not paying on their loan.

Mr. MacKenzie answered most of the HOME funds that we have used and some of the CDBG, most of those have gone to NHS. There are some projects and we have gone back through and NHS is trying to repay those loans. They have good accounting of it. There are different types of projects with different types of repayment schedules. I would be happy to go over the individual ones, but on balance we know how much is owed. They do make regular payments to the City and we take those repayments and that is money that can be used again for other similar housing projects.

Alderman Clancy stated what I am referring to is if somebody got a loan for \$500,000 and hasn't made any payments for eight or nine months. Is there anybody like that out there?

Mr. MacKenzie replied I would defer...I don't know if you know Todd Fleming of our staff. He is handling all of the housing projects and I would ask him if there are any loans far in arrears in terms of repayment.

Mr. Fleming asked are you referring to all of the loans other than Manchester Neighborhood Housing.

Alderman Clancy answered right.

Mr. Fleming stated basically there are a couple of projects that we are dealing with right now that are in arrears and we sent letters out for those projects. There were two particular projects. One of the projects, the letter was mailed out and a payment came in for that project. There is still one other project that we sent out a letter on and we haven't heard anything on that particular project.

Alderman Clancy replied the reason I asked that is because I don't want those people to get anymore money if they are not going to pay the money back that they owe us.

Mr. Fleming responded the projects that I am talking about basically involved parties who aren't requesting funds at this time.

Alderman Clancy replied but probably down the road they might.

Mr. MacKenzie stated the project that is in arrears is a private developer who received some money several years ago and we are looking to make sure that those

are all paid back. That was a difficult project that we received assistance through the Manchester Housing & Redevelopment Authority on but the loan funds did go to a private development group, which is no longer actively seeking funds and I don't expect that they will be seeking funds in the future.

Alderman Clancy asked so what are you going to do, call it a wash.

Mr. MacKenzie answered no. We will pursue and I expect that we will get those funds repaid.

Alderman Lopez stated in looking at the chart, mine is all blacked out for some reason. I think all of ours are. What are we talking about on top here? Is there any information there that we need?

Mr. MacKenzie replied those are just the column headings and I didn't notice that your copies were not very good. I will ask Todd to read across the columns so you know exactly what those columns are.

Mr. Fleming stated reading across from the top the first column would be the year of the project. The next column would be the CIP number. The next column would be the project title. The next one is the type of federal fund. The next one is the CIP budget amount. Following is CIP funds expended, CIP fund balance, total dollars that have been loaned, total dollars deferred...

Chairman O'Neil interjected define deferred.

Mr. Fleming stated deferred would be a project where the payment for that particular project could be deferred for a given period of time or forgiven at the end of a period of time. That is explained...the next column says loan terms listed below and that explains the different criteria for each loan. After that column is the amount that has been paid to the City and the final column is principal balance.

Alderman Lopez asked are you following this totally. Is that what his job is Mr. MacKenzie or am I confused here? Who makes sure that the numbers are correct and the audit is done or whatever the case may be here?

Mr. MacKenzie answered there will be ultimately audits by HUD. There is a revenue administrator at Finance. We like to insure in our own department that the numbers are correct and match the original contract that was issued and that is one of Todd's primary responsibilities.

Alderman Gatsas asked the deferred amounts that I am seeing...let me follow-up on Alderman Clancy's question first. You said there were two projects that were in question. You gave us one with a private developer and then you stopped and didn't get into the second one. Is the issue public information on who the developers are?

Mr. MacKenzie answered at this point I would probably want to discuss it with the City Solicitor as to whether I can mention those names. I would be happy to do it in non-public session. Okay, we can tell you. The project that we have been tracking and it has been a difficult project...there were two projects and both of them were private developers versus the public entities we typically deal with. The one that did pay up was Finlay Associates. They had a project on Douglas Street that took several years to do. The other project, I am not sure who the developer was. This was quite a few years ago and it was a project on Joliet and Clark Street on the West Side.

Chairman O'Neil replied that is like Spruce and Dubuque.

Mr. MacKenzie responded I stand corrected. Clark is the developer for the Joliet Street apartments.

Chairman O'Neil asked are either one of those on here.

Mr. MacKenzie answered no.

Chairman O'Neil asked why not.

Mr. Fleming stated it was my understanding that I was to prepare a spreadsheet, which included Manchester Neighborhood Housing Services projects and that is what I attempted to do.

Chairman O'Neil asked are there many that are not involved with Neighborhood Housing Services.

Mr. MacKenzie answered it would be less than a handful.

Chairman O'Neil asked can we, at some point, get those out to the Board members using the same spreadsheet.

Mr. MacKenzie answered sure.

Alderman Gatsas asked going back to the project in 1992, the very first one on the list. The total project is \$100,000 and roughly \$94,000 was deferred. Who makes the decision on deferred? This Committee?

Mr. MacKenzie answered I would probably ask Neighborhood Services to come up and talk a little bit about this but it depends on the severity of the project. Frequently, we had old abandoned buildings and sometimes crack houses that the Board was anxious...

Alderman Gatsas interjected he doesn't have to come up and answer the question. I am asking who makes the determination.

Mr. MacKenzie stated that would be a negotiated agreement between the City, typically our office, and the agent who in this case is Neighborhood Housing Services.

Alderman Gatsas asked does the Board ever have the availability of seeing that or voting on that.

Mr. MacKenzie answered the Board frequently sees it in recent years on start-ups but I don't think the Board saw it in earlier years. It was just an amount allocated towards the project and not whether it was a loan or a grant.

Alderman Gatsas asked if I go through this quick list of deferreds somewhere in the vicinity of maybe \$400,000 and the Board has never had the opportunity to decide on whether a loan should be deferred or not. I thought usually when we try to get answers from staff you tell us it is policy. Don't you usually tell us it is policy and you don't want to set policy?

Mr. MacKenzie stated there is some history that predates me, of course. Sam, could you answer that?

Mr. Maranto stated we have been running a housing rehab program for over 25 years and basically the way it is determined whether or not there are payments back was based upon the applicant's income. It is not unusual to have deferred payments or there may be variable rates depending on the income. Four or five years ago the CIP Committee requested that any projects in excess of \$300,000 be brought back to them to be reviewed in terms of what the loan terms would be. All other projects underneath that would basically be the way it has always been done, such as deferred programs and those are mostly small rehab loans of \$15,000 to homeowners.

Alderman Gatsas asked what was the number, \$350,000.

Mr. Maranto answered \$300,000.

Alderman Gatsas asked in excess of \$300,000 or including \$300,000.

Mr. Maranto answered \$300,000 or above we would come to this Committee for review. Now the ones you are looking at for \$100,000, those are broken up as I said into \$15,000 per applicant and those are housing rehab loans.

Alderman Gatsas asked so the deferred amount is based on your judgement and nothing to do with the Board so what you are saying to me is that we lend somebody \$100,000 and based on income we can defer \$94,000 or 96% of that loan.

Mr. Maranto answered that is keeping in compliance with the goal of the CDBG program. We were told that we could use our judgment in terms of giving out the grants or deferred payments. For over 25 years, the policy has been that we have had a rehab program with payments based upon income.

Alderman Gatsas asked so what you are saying is that normally when you come back to this Board and say we don't want to give you an opinion because it is based on policy these deferred payments aren't policy issues anymore but based on your opinion.

Mr. MacKenzie answered I think the policy has been in the past that above \$300,000 the Board would act on individual loans and below that amount for projects the staff would determine whether to grant or defer the loan. You will notice on the bottom of the chart that there are a number of grants for relatively large amounts of money done for several of the key projects. Typically, those are projects that are complex projects that include a lot of different financing from typically the NH Housing finance authority to low income housing tax credits and sometimes some amount of money has to be put in as a grant to make the projects work and these are typically projects that have been abandoned by private developers and are either causing problems for the neighborhood or there is a need for those housing projects.

Alderman Gatsas stated at no point am I suggesting that there isn't a need, but I would think that this Board should be aware or at least be made aware at some point of a deferred loan of 96% on any loan. I don't think you can go to a loan officer at any bank in the City and ask them for a deferred payment on a loan without the Board of Directors approving that loan. I don't think there is one in the City. If there is, I am shocked. I didn't say that you didn't make worthy

decisions. I am just questioning why this Board has never been aware of it and I have to believe...there are no loans outstanding before 1992?

Mr. MacKenzie replied the only ones that are potential are some that are being closed out with the Housing and Redevelopment Authority and I think that almost all of those are closed out. There may be some loans left with MHRA. Those are actually loans that they have asked that the City take back over again to process because of the cost of processing them.

Chairman O'Neil asked can you get us that information pre-1992.

Mr. MacKenzie answered we have provided it to the Committee before and we can provide it again.

Chairman O'Neil asked can we have a separate sheet that says pre-1992 to go along with the items that are not part of Neighborhood Housing that Todd is going to get to us.

Mr. MacKenzie answered yes.

Alderman Gatsas stated let me make sure that I understand what you are telling me. The total amount of loan, if I total the first column it is \$4.4 million we will say or \$4.3 million of which \$2.7 million you would have come to this Board to see if there was a problem with because it was \$300,000 or over and the other \$1.6 million you would take under your assumption to deal with?

Chairman O'Neil replied you make a very good point that we need to take a look at this policy and probably refine it. Before we continue that discussion and take a vote on that, Alderman Cashin has a question.

Alderman Cashin stated let's use the \$100,000. That could be made up of five or six \$15,000 loans. Is that what you are telling us?

Mr. Maranto replied right.

Alderman Cashin asked so in order to do this you would have to come back to this Board with every \$15,000 loan. That is why I think that we decided to give you the flexibility to make those decisions. I don't think you want them to come back with every \$15,000 loan. That is what this is. If you look at the \$100,000 and they deferred \$6,000 I guess, that could be made up of six different \$15,000 loans.

Alderman Gatsas answered they didn't defer \$6,000. There is only one loan made in that \$100,000. If you look, the two numbers that correspond, 8104701, the loan

was for \$100,000. The next line down they deferred \$93,000 on one loan. Now if you want to talk about multiple loans you probably can fall down to where the...

Mr. Maranto interjected those are multiple loans. The \$100,000 was allocated to one agency and they went out and sub-allocated those funds to homeowners.

Alderman Cashin asked are these multiple loans.

Mr. Maranto answered yes.

Alderman Cashin asked in that \$100,000 there are multiple loans.

Mr. Maranto answered correct.

Chairman O'Neil asked are there any on this sheet that are not multiple loans.

Mr. Maranto answered Cedar/Beech, Merrimack Place, and Notre Dame.

Chairman O'Neil asked okay in order to keep this moving tonight I have a third project for you. Why don't we take what is on this sheet and make another column showing how many loans are part of that one item. That might be helpful to the Board. Would that help at all, Alderman Gatsas?

Alderman Gatsas stated just to follow-up with Alderman Cashin, if somebody is getting a \$15,000 credit, if is it one person that we are doing five projects with, the developer is making the choice on which ones...who gets those.

Mr. Maranto replied these loans are for homeowners, not developers.

Alderman Gatsas asked who is making the choice of who gets the loan.

Mr. Maranto answered back in 1992 it was the Housing Authority. Right now it is NHS. These funds are for homeowners owning one to four unit properties and are owner occupied.

Alderman Gatsas asked so who makes the decision if there is a deferral. You don't make it.

Mr. Maranto answered it is based upon income. NHS would look at their income and make a decision whether they are going to get a deferred loan or what the rate would be.



Alderman Gatsas asked but you are not making that decision. It is a yes or no question.

Mr. Maranto answered no.

Alderman Gatsas asked so we take the money, give it to a third party and they decide whether it is Alderman Gatsas or Alderman Cashin who gets a deferred loan.

Mr. Maranto answered yes based upon the guidelines set for the program.

Chairman O'Neil stated why don't we do this. A fourth project. Take a look at the policy because we won't solve this tonight, take a look at the policy and if there is a way to make it better and to get information out to the elected officials.

Alderman Lopez stated I think the explanation on the type of the loan in reference to what Alderman Cashin talked about is explained in the updated CIP sheet here.

Chairman O'Neil replied I don't think that is Alderman Gatsas' point. His whole point is that a third party is making a decision on whether or not the loans are deferred. Am I correct, Alderman Gatsas?

Alderman Gatsas replied and who they are deferred to.

Alderman Lopez stated what I really wanted to say was if the staff could outline the general guidelines and policies that you have established and also the main question I had was I noticed that in 1992 when the \$100,000 was given and \$93,000 was deferred. Is there a timeframe when a deferred loan is established?

Mr. Maranto replied depending on the loan, upon transfer of title. There are a certain number of years that the applicant would have to keep that property and they also have rent restrictions on the amount of money they could charge. If they sell the building before that, then the payment is sent back.

Alderman Lopez stated I think that is the information we need.

Alderman Gatsas asked who does the audit. Do you folks do the audit to make sure that the guidelines are followed?

Mr. Maranto answered each organization as part of the agreement that we have is required to have an audit done of their books. The City also has an audit.

Alderman Gatsas stated my question is do you do an audit on who has received the loans. Do you have a list of the individuals who get deferred loans? Do you ever see that?

Mr. Maranto replied yes we have that information.

Alderman Gatsas asked how about project #5. Can you supply us with the names of people who have deferred loans?

Mr. MacKenzie answered there was a question on whether that was confidential and based upon my conversations with the Solicitor that is not confidential.

Chairman O'Neil asked is it clear what information we are looking for moving forward.

Mr. MacKenzie answered yes.

Chairman O'Neil asked is there a need to put this back on the table. Does that create problems trying to move forward?

Mr. MacKenzie answered I would say that the staff is currently in the throws of preparing the next plan for HUD and that is due May 15.

Chairman O'Neil asked so if we put it back on the table will that create a problem.

Mr. MacKenzie answered no but I can't promise it until the June meeting.

Chairman O'Neil replied that is fine. My question is do we receive and file this now.

Mr. MacKenzie stated if you want to receive and file it that is fine. We will bring the information back in June.

Chairman O'Neil stated so everyone is clear about the five items that we are looking for further information on and it will be on the agenda for the June meeting.

Alderman Cashin asked can we set up an informal meeting to discuss just this. This is going to get pretty complicated I think. If we try to work it into another Committee meeting, we are going to be tabling it again. Once they get their information couldn't we schedule a meeting just for this?

Chairman O'Neil answered yes.

On motion of Alderman Lopez, duly seconded by Alderman Clancy, it was voted to receive and file this item and refer it to a special meeting of the CIP Committee.

Chairman O'Neil stated I just want to make a point. There are five projects in next year's recommended CIP for a total of almost \$700,000 under the HOME funds. Is that correct?

Mr. MacKenzie replied that sounds correct.

Chairman O'Neil stated so we want to get as much of this cleared up, especially the policy, as soon as possible.

Chairman O'Neil addressed Item 3 of the agenda:

Discussion with Finance Officer and Bond Counsel regarding bonding capacity.

Mr. Clougherty stated by way of introduction with have with us again tonight Rich Tutora who is the City's financial advisor. Should we have any legal questions, we can get a hold of Bond Council by way of telephone. We were hear awhile ago and talked about the debt capacity for the City and said at that time that we were looking at a limitation of about \$7 million for the year. The Committee asked us to go back and see if there was something that we could do there to make that a better number. We did go back and the recommendation made by the Mayor was up to \$11 million. The way we got to the \$11 million was really due to three factors. The first factor was rates came our way a little bit better than when we did the original projection – borrowing rates. The second factor was that the CIP recommendation from the Mayor included no short-term projects. There is only one five year project, I think, in his whole list of bonded projects so he did take what we had recommended to him in terms of using your debt just for the bigger ticket long-term issues. That had an impact.

Chairman O'Neil asked what was the five-year project just for curiosity.

Mr. Clougherty answered I think it was the radios for the fire station or something like that.

Mr. Sherman stated it was cameras, the thermal imaging cameras.

Mr. Clougherty stated the other thing we did was we took a look at different wants to structure the debt. Instead of going with a level principal we looked at going with a level debt service. What that does is it makes your debt service payments

comparable for the period. What it does is it has in the beginning years more of an interest payment and in the latter years more of a principal payment. In putting that into our criteria, it wouldn't impact the guidelines that we had significantly because of that shift and it allowed us to do a little bit more debt this year. That is why we said to the Mayor that \$11 million was the limit provided you met these requirements. That is what I believe was suggested as part of his budget message. We are at \$11 million in terms of debt affordability. That was provided in the form of a letter with some background information. I think the Chairman got a copy of that and we did send that to everybody. That is where we are tonight. We still feel that the situation hasn't changed in terms of the variables.

Chairman O'Neil asked can we make sure that the copy gets out because I don't think everyone got it.

Mr. Clougherty answered sure. The variables that we talked about at the last meeting in terms of what we felt was limiting our ability to provide for a stronger estimate are still in place. We still have uncertainty with the school funding. We still have some concerns about the revaluation and where that is going to end up because you have to look at not only the revaluation number but where you net out after you do your overlay payment and your abatements and things like that so you have to take a look at that. As you know there is also uncertainty with the local school funding and the local school audit that we would need to get into the market. We are still trying to get the per capita income from the census. My understanding is that there are pieces of the census that are out in terms of total population and the demographic of ethnic composition, but the one that we really need to see is the wealth. Although our population has gone up and it has changed a little bit, is it as wealthy and able to sustain as much as in the past. My understanding is that the way the census information is coming to us they are releasing it in sections. I don't believe the wealth, as I said to the Committee earlier, is going to be available until later in the summer or in the fall. Given those uncertainties and give the fact that we want to make sure that when we do go forward we are on solid footing, we are still standing pat pretty much on what we said last time.

Chairman O'Neil stated the only item that seems new is the school audit. I remember you mentioning the other items.

Mr. Clougherty replied what happens with the school audit is that in order to go into the market and issue debt you need to have audited financial statements just as if you went to the bank they are going to ask you as an individual do you have financial statements. We, as of today, don't have that. We have made progress, I think, in that regard and our expectation is to have that but where that shakes out

in the bottom line is again another consideration. The other three are major ones but I would be remiss if I didn't mention this one also.

Chairman O'Neil asked is it reasonable to think that if we had all of these items moving forward in the next month or two that we could increase the recommended bond capacity or is the \$11 million going to be it for FY2002.

Mr. Clougherty answered as I said at the last meeting, I expect that you will have this information sometime in the late summer or early fall.

Chairman O'Neil stated so going forward we are going to have to approve a budget with a bonding capacity of \$11 million.

Mr. Clougherty replied right but be mindful that you can authorize bonds and you can amend your CIP during the year. If we get out to December or January and we have better information, we will certainly get that to you at that time and at that point you could do some adjustments and take a look at some things but until you have that our recommendation is that you stay prudent and not jeopardize your future.

Chairman O'Neil asked, Rich, will you go on record that you support where we are at right now.

Mr. Tutora answered I do. We heard you loud and clear the last time we were here that you needed to issue more debt so you could have more money for your projects so we worked the numbers as best we could and came up with another \$4 million, which we thought was kind of pushing the envelope but in light of the data that Kevin mentioned that we are waiting on, we are comfortable with \$11 million.

Alderman Cashin asked you are pushing the envelope aren't you.

Mr. Tutora answered at \$11 million yes I think so.

Alderman Cashin stated but still you can sit there and tell us that it is okay.

Mr. Tutora answered yes I can because of the way we restructured the debt. What we looked at is...what we had always done in Manchester was used a level debt structure and what we are doing now is using overall level, not just level principal as we had done in the past but level principal and interest. We were mindful of not accumulating too much additional interest expense and what we did was it was a balancing act. We shortened the term of the bond to reduce the overall interest expense but we were able to increase the dollar amount so that the impact is level

each year as opposed to declining, which is the way it was structured in the past. It is a good structure for the City, I think.

Mr. Clougherty stated I think the point that the Alderman is making is one of risk. How much risk is the \$11 million putting us in? We really are as we said at all of the meetings that we had that we are really protective of the City's credit rating. We are not going to do something or recommend something that is going to put you out. We think there is where you can be without jeopardizing the rating and still not be terribly risky in terms of putting us in jeopardy there because that would be a concern to us.

Mr. Tutora stated that is certainly the case. It is an AA credit rating that we are looking to protect and we think that this structure and this level of debt, the rating agencies and the market will be comfortable with.

Alderman Cashin stated Kevin at one time we had like a \$12 limit on CIP. What do we have now?

Mr. Clougherty replied that was one of the charts that we handed out last time.

Chairman O'Neil stated as a reminder one of the things we had asked for if I recall the charts were very small and hard to read. I thought that I had asked that we get each chart on an individual sheet.

Mr. Clougherty replied I thought those went out some time ago.

Chairman O'Neil responded I don't remember getting it. Can you send another copy out to everyone please?

Mr. Clougherty replied yes. The number would translate to about \$3 on the tax rate, Alderman, if you wanted to use the same guideline. That is this chart here that we talked about. You are over that \$3, but you are over it only because of the fiscal year conversion which is...when the original idea of the \$12 was put in place that was just on your general obligation long-term debt. It didn't include your short-term borrowing so when you apply the \$12 to the \$3 it doesn't quite translate because you would still have to take...it would be like setting a guideline for your mortgage and then trying to do something with your credit cards. We had to take a look at all of those and that is reflected here. The understanding of the credit rating agencies is that the fiscal year conversion is an address of your short-term borrowing and they look at that a little bit different and that is why it doesn't bother them that we are over the \$3. Again, that \$3 is a City guideline and not one that is advised by the credit analysts or the credit rating agencies.

Alderman Cashin stated I am very concerned about the \$11 million. I think you are getting very close. I really do.

Mr. Clougherty replied we wouldn't go more than that. As we said, that is the limit. That is the most you are going to get out of us.

Alderman Cashin responded it wouldn't take much to go over that. Just a couple of mistakes and we are in trouble.

Mr. Clougherty stated I am glad to hear you say that. Our concern is the volatility of some of these items that can go either way. Yes we are doing a revaluation and yes we are optimistic about it but there is something happening with the economy out there. We have talked to and I am sorry that I wasn't at the Mayor's budget presentation but I was out of town but I am sure he mentioned that we have talked to five of the state's leading economists and have talked to them about this and they have all concurred that this is the year to stand pat and be prudent. If you are, despite what happens with the state and despite what happens with all of the other cities and towns and possibly the bond bank, we could still hold our position and that is what we are trying to do.

Alderman Shea stated I am not sure who to address this to but what impact has previous borrowing had on our capacity to borrow at present.

Mr. Clougherty replied I think our previous borrowing is part of what is analyzed by the credit rating agencies and they feel that has been prudent. That is why we have probably the best credit rating in New England.

Alderman Shea asked has that affected our capacity now to borrow.

Mr. Clougherty answered sure, absolutely.

Alderman Shea asked would you say that in retrospect we probably weren't as prudent as we were led to believe if, in fact, we are in a situation now where we can only borrow \$7 to \$11 million because of previous borrowing practices that we might have used in the City.

Mr. Clougherty answered I think the dilemma that this Board has been wrestling with for a long time and it certainly was before this Board and it was certainly before us is the ability to try and some day get to a point where you are able to take some of those short-term borrowing costs for equipment and for maintenance that has to get done that does have an affect on your rate. The sooner you can get to a position where you don't have to do those types of things, the healthier the City is going to be moving forward. I think we are near a solution to that as we

mentioned at previous meetings. Once the fiscal year conversion debt goes away you have really taken care of two generational problems that this City has faced. One is short-term borrowing that has had to happen since forever and the second one is you have some capacity at that point to address with cash the things the City should have been addressing with cash or would have liked to have been able to address with cash for a number of years. I think we are getting close there by sticking to a financial plan that has been laid out for some time.

Alderman Shea stated my thinking goes back to the fact that in order to hold the tax rate down in previous administrations or previous years, we borrowed instead of doing what you are indicating we should have been doing. That probably is a reflection on a previous administration but if, in fact, we tended to use bonding practices rather than addressing problems through up front kind of payments, I think that jeopardized our present situation in terms of where we are right now. I don't know if Rich wants to address that.

Mr. Tutora stated ideally in 2006 you will be able to do exactly what you wished you were able to do in the past, which is pay as you go financing with the \$5.5 million in available funds that otherwise is presently being used to pay the conversion bond. Your needs right now...I mean every year the City has needs and we heard you loud and clear at the last meeting that the needs you felt you had now were greater than what we could satisfy with \$7 million worth of bonds. You will meet your needs hopefully with \$11 million of new debt and you will do it in such a way that the credit market will be comfortable and the rating agencies will be comfortable. I think that is where we need to be today.

Mr. Clougherty stated in terms of capacity, Alderman, I would add that what the agencies look for is do you have a plan to correct some of your problems and I think we do and I think that took place and the Board has been religious in adhering to that. It is nice to be able to say gee you should be doing this or doing that but the fact of the matter is in the last several years you had issues like our fleet and our garbage trucks and things like that where we had to make investments that maybe weren't the best in terms of long-term or whatever but needed to be done in order to make sure that services were provided and that we had efficiencies in other areas. Those trade-offs you had to make over time in order to get this plan to work. I don't think the credit rating agencies have been critical of the mix of projects that have been in there. They have understood that this is part of a 10-year evolution that the City is trying to go through to make some fundamental, as I said, generational changes.

Alderman Lopez stated this has no bearing on next year because we had the mix up whatever the case may be on the \$7 million but what do you anticipate that we will have next year.



Chairman O'Neil asked are you talking about FY2003.

Alderman Lopez answered yes.

Mr. Clougherty stated in the plan that we put out we had the \$65 million that we had talked about in the five-year plan. Once you deduct from that the requirement for the landfill and some other things you are at about \$45 million over the balance of the plan that is available. Now how you chose to use that is...I think if you decide to use it at \$10 million a year or \$12 million one year and \$8 million the next year...

Alderman Lopez interjected I understand that. What are you projecting for FY2003 CIP?

Mr. Clougherty stated at this point if nothing changed and you used the \$11 million this year you would be looking in the area of \$10 to \$12 million.

Alderman Clancy stated we are going from \$7 million to \$11 million. That \$4 million, are there any one or two projects out there that are going to take most of this money?

Mr. Clougherty replied to be honest the way we approach it is we look at the amount. We don't get into the decision-making process about what is in there. That is really left to the CIP staff. We try to stick solely to tracking the rating and the capacity.

Alderman Gatsas stated would you believe that I find it hard to believe...when was the last time we met.

Mr. Clougherty replied six weeks ago.

Alderman Gatsas stated based on the three criteria that you gave us, Kevin, rates, no short-term projects and shifting...what was the last one.

Mr. Clougherty replied shifting the structure of the bonds going from a level principle to a level debt.

Alderman Gatsas stated those three issues that you are telling us, that it took you six weeks and you couldn't give us that answer sitting there that night to increase the bonding capacity by over 55%. You gave us charts up there that showed us every level possible structure that you could want and the in between was this is the bottom of the chart and I am surprised you don't have that Powerpoint

presentation with you tonight so we could look at those colorful pictures that showed us here it is and if we go to the next level we have a problem. Now, I certainly don't question where Alderman Cashin is coming from but if you look at those charts, we were at the bottom of risk in every one of those categories. Certainly I am not one to say that we should be at the top of risk, but to sit here and tell us that in six weeks that because of rates and no short-term projects and shifting that we can get a 55% increase in bonding capacity without getting to any of those colored pictures that we talked about like low income and all of those other wonderful words that we were talking about having to go back and check...I mean why couldn't we have had this answer in a week? Why did it take six weeks?

Mr. Tutora responded from my perspective because we were able to convince the City to structure debt in a way that they hadn't considered before. The City always took a very conservative and definite approach in terms of how they structured their debt and used level principal payments for debt structure. We proposed using a structure that we have used successfully with other clients where you have level debt service and where principal and interest is level over the life of an issue. The concern was in a level debt service structure since you postpone principal repayment you incur significantly more interest expense and so the Finance Department said we don't want that, we don't want the additional interest expense. What we did was we reduced the term of the debt issuance so rather than go for 20 years for a 20 year project we reduced the structure to 18 years to 17 years to 16 years until we got to the point where we had the proper balance of annual impact to the budget and cumulative debt service for the life of the particular project and that took us awhile because the City had never done that before.

Alderman Gatsas asked are you telling me that our Finance Department didn't know the difference between a and I will use simple terms, the difference in payment on a 30 year mortgage versus a 15 and what the amount of debt that would be left in amortization. I would hope that that is not the simple version.

Mr. Tutora answered it is a lot more complicated than that and we are constrained by lots of structuring rules, by federal tax rules and we went through the various machinations and came up with a result that we thought you would be very pleased with actually.

Alderman Gatsas stated the only thing I am upset with is we were told or this Committee was told that you were going to come back and based on the parameters that you showed us because we were at the bottom of those windows and correct me if I am wrong, Mr. Chairman, that you were going to explain to us why those variables should change and to what degree they should change but you

never took any of those into effect other than these three criteria to increase it by 55%.

Mr. Tutora replied actually we did. The instruction that I walked away with following our meeting was how can we get additional bonding capacities now without impacting negatively the credit position of the City and using the guidelines as benchmarks we were able to restructure debt going forward that accomplished those goals. I think what we accomplished was commendable I might add.

Alderman Gatsas stated I believe what Alderman O'Neil asked you to do was to see how far you could push the envelope.

Chairman O'Neil asked aren't you both saying the same thing, though.

Mr. Tutora answered I think so.

Chairman O'Neil stated I agree with what you are saying. Using the charts, why can't our bonding capacity be more than what was recommended that night? Is that correct, Alderman Gatsas?

Alderman Gatsas replied right and I don't think that the answer that we have based on these three things has anything to do with the charts. I would love to see those charts back up there so we could say if you press the envelope on five issues what it would mean.

Mr. Clougherty stated there are two points I want to make. It has everything to do with the charts because that was the direction we wanted to make sure that we were not going to violate any of the credit rating criteria as well as the guidelines so those were our marching orders and we were looking at that. Second of all, I think it is important to note that under state law...all of the state laws in New Hampshire are designed to protect the taxpayer from suffering from what has happened in previous years which is what used to be balloons. Boards would come in and approve all of this stuff and defer it out. So there are state statutes that say you can only issue so much each year. You have to, when you are looking at these scenarios, make sure that not only are you by a shift in going from level principal to level debt that you are not getting outside of those numbers and you have to have your counsel looking at that and that takes some time to go through that analysis and that is what we did.

Alderman Gatsas asked the unaudited statement that we currently have, has that affected any bonding capacity.

Mr. Clougherty stated we have not factored that in to the extent that it may affect your interest rates but certainly if it is prolonged that you don't have an audited financial statement and you get to the point where you have to go to the market for cash purposes, that would have bearing. I think that is a ways off and for that reason we didn't factor that into our considerations for the \$11 million.

Mr. Tutora stated there are several negatives that we are dealing with in the State of New Hampshire these days for any jurisdiction. Certainly the funding problem with education in the state and the thought that perhaps the state might get downgraded, its credit rating might get downgraded, hasn't been solved yet. Certainly the national economy is slowing down so that is a concern. When we look at debt capacity for a client, in a stronger economy or if that state funding issue wasn't on the table we might say sure maybe you could issue more debt today but we don't want to give the credit rating agencies another thing to be concerned about when they look at Manchester's credit position. So, additional debt coupled with a late delivery of an audit, which I don't think has ever happened in this City before coupled with a weakening economy and the state funding problem for education, if we issued \$20 million in debt the rating agency might say that is enough downgrade and that is what we are seeking to avoid.

Alderman Gatsas stated I guess I am back to my original question. That is the unaudited statements that we have does it affect our bonding capacity?

Mr. Tutora replied yes.

Chairman O'Neil asked, Rich, would it be possible for you to prepare a memo for the Board taking the charts and showing how each one of those areas was affected based on what you knew that night and what we know now. Is that possible?

Mr. Tutora answered yes.

Chairman O'Neil asked would that be helpful, Alderman Gatsas.

Alderman Gatsas answered it certainly would be.

Alderman Levasseur stated I just want to ask you a question about interest rates. We have seen quite a drop in the last six months of almost over 1%. Are we almost ready to go and buy back some of our long-term debt that is at a higher rate and if the feds drop another half a point are we going to be able to get a higher bonding capacity because of that or how does that enter into play?

Mr. Tutora replied that is a two-part question. We presently are looking at refunding opportunities related to the City's debt and you are right at the threshold

now. We look for a 3% present value savings when we do a refunding and you are just about there now. Interest rates, strangely enough, have gone up in the last couple of weeks. We don't usually use the 30 year bond as a barometer anymore, but the 30 year bond about three weeks ago came down to about 5.21% and I think today it was in the 5.6% range. It has gone up dramatically. Now our market is in lock step with the bond market, but it certainly follows it and trails behind it. We are certainly looking at refunding opportunities. The second question was if interest rates were to come down another 50 basis points, yes certainly that would increase your bonding capacity. We always...when we look at projections for the City we project based on prevailing interest rates and then how far away you are from the market. If you are three or six months away, I will add 25 or 50 basis points to interest rates because I have to because market conditions change, but as we get closer and we think now we might be in the market in let's say June or July, we use prevailing interest rates now but if they came down your capacity would increase.

Mr. Clougherty stated but in that regard for us to get into the market we need an audit. We are not going to go in and not have audited statements and save some money on a refinancing and have our rates lowered and put that in jeopardy going forward. We are trying to balance that. As Richard said, the standard not only the rule that we follow with Richard's company but the standard at the state and every place else is to try and get a 3% net of issuance costs. We have been at about 2.7% or 2.8%.

Alderman Levasseur asked what about the civic center bonds. I think we got those at a higher rate. Are we almost there for that?

Mr. Tutora answered we talked about that today. I would say you are almost there but I wouldn't do it yet. You only get one shot to do an advance refunding of debt and I would rather see the building up in my opinion. The bankers might say otherwise, but you still have construction risk because the building isn't finished yet. I would like to see the building up. I would like to see the first event go off. I would like to see maybe the first season and show that all of the coverage ratios are working. If we are in the same interest rate environment a year from now that we are today, those bonds will probably be refundable and be very attractive.

Alderman Gatsas asked what is the difference in 1 percentage point on a refinance.

Mr. Tutora answered that is a hard question to answer. The savings that the industry looks for is 3% present value of the amount of the refunding bonds so if we are looking at interest rates presently say for 20 year paper of let's say 5%, existing debt would have to be at 1.5% higher than that for it to be attractive to us to issue refunding bonds.

Alderman Gatsas replied let me ask it in a different way then. You are using a 3% spread. Let's use a hypothetical and say it is \$1 million. What would the difference be if we looked at a 3% spread on \$1 million existing versus a 2% spread?

Mr. Tutora responded we would have to run the numbers. It depends on the structure. It depends on how the debt is amortized and how long the debt is outstanding and how it is structured for repayment. I could run a scenario and send it to you.

Alderman Gatsas stated I think it would be of interest to see on the existing debt that you are looking to refinance at 3% what that would be at 2.5%. I am looking for a sensitivity analysis and see if we do that what more bonding capacity does that give us if we are changing that debt structure.

Chairman O'Neil asked are you talking the total program or one project as an example.

Alderman Gatsas answered obviously the number they are talking about is 3%. The industry says 3%. When you hear about it on the regular market they tell you 2%. If your mortgage is 2% less than what you took it at you should be refinancing. Now they are telling us it should be 3% so I am saying what is the number at 2.5% versus 3% and what does that do for our bonding capacity. Obviously if we are refinancing enough debt and reducing that rate by 2.5% it should increase the bonding capacity.

Chairman O'Neil replied yes but is the suggestion refinancing everything.

Alderman Gatsas responded whatever is on the open market that they can do.

Chairman O'Neil asked is there a good example.

Mr. Tutora answered yes. Right now what we are looking at...there is currently an \$8 million funding opportunity that would generate about \$229,000 in savings, just under 3%. If rates decline by about 15 basis points, the City could issue approximately \$12.5 million in refunding bonds and generate about \$355,000 in present value savings. Again, it is net present value savings after you pay for all of the costs of issuance. So, we have to wait and see what happens with rates. Right now, we are of the opinion that you are real close but not quite there yet.

Mr. Clougherty stated I want to make it clear that that is not an annual savings but an aggregate savings. We have been refunding our debt right along as

opportunities have come up. You have to look at the different maturities, the different rates that were assigned and see where that is affected. It doesn't all come in one year. It is over the life and I think that is what you are asking for is what would be the effect this year and we would have to run some scenarios on what is available on today's rate.

Mr. Tutora stated on the first scenario, which is the \$8 million scenario, the annual savings are in the neighborhood of about \$35,000 a year.

Alderman Gatsas asked what would that do to increase debt or bonding capacity.

Mr. Tutora answered if you wanted to do a dollar for dollar you could match that amount to debt service...

Alderman Gatsas interjected so it would be about \$500,000.

Mr. Tutora answered yes. It would probably be about \$500,000 in additional debt.

Alderman Shea asked, Kevin, how much debt in general obligation bonds do we have. How high are we? How much do we owe?

Mr. Tutora answered \$127,394,760 in outstanding principal.

Alderman Shea asked that is how much we owe for general obligation bonds. Of course, they are broken down into different years, etc. right?

Mr. Tutora answered yes.

Alderman Shea asked and that is over the last how many years.

Mr. Clougherty answered 20 years.

Alderman Shea asked most of it has been forthcoming in the last five or ten years hasn't it.

Mr. Clougherty answered we could break that out for you.

Alderman Shea asked has most of our debt been accumulated over the last 10 years.

Mr. Clougherty answered it is always rolling, Alderman.

Alderman Shea stated but proportionately speaking it seems that we didn't have as much debt 10 years ago as we did 5 years ago as we do now.

Mr. Clougherty replied proportionately to your budget it is probably more.

Mr. Tutora stated the big number has been the fiscal year conversion bond. That is the big number but as Kevin said earlier that is viewed by the markets as kind of a credit neutral debt if there is such a thing because they like the idea of issuing debt for the fiscal year conversion. It made good fiscal sense but to answer your question I would think there might be more in the last couple of years almost exclusively because of that particular debt issue.

Alderman Shea asked are you talking about the civic center.

Mr. Tutora answered that is not included.

Alderman Shea asked what debt issue are you talking about.

Mr. Tutora answered the fiscal year conversion bonds.

Mr. Clougherty stated you used to borrow about half your budget each year up front before the fiscal year to operate. That never got calculated into any of these tables. You were getting to the point where...you think today of borrowing half of your budget and we would be borrowing \$100 million to operate. Credit agencies back then were saying we are going to downgrade you and that is why we did the conversion. They understand that and as I said before it is maybe not the best analogy but what you were doing was taking your mortgage and your credit card and now you have paid off your credit card debt at the end of 10 years and your mortgage has been under control so now you are going to have the benefit of having what you were paying for your credit cards to do for something else.

Alderman Lopez stated there are a lot of technical aspects here and Alderman Gatsas is probably a lot more familiar with this stuff but I want to say that at the last meeting we asked you to go back and find more money and no matter how you did it, the bottom line is you found \$4 million and I think that you did what we asked you to do. How you got there could be debatable.

Alderman Levasseur stated I want to ask one more question about revenue bond. Kevin, are we getting any closer to potentially doing a revenue bond for the amount of parking garages that we have and the parking spaces? With the civic center we are talking about \$5 to \$8 per parking spaces. Does that increase the revenue and the fact that we may, I don't know if you have seen the Hoyle Tanner engineering report about possibly building an additional 658 spaces but can we get



all of that under one revenue bond and save ourselves some money and get these things done quicker without using the general bonds that you have been using?

Mr. Clougherty replied I think you will remember the last time we talked about this revenue bonds are animals of volume.

Alderman Levasseur asked can you get us to a number...

Mr. Clougherty answered you might get there. If you are going to do several small projects it is more difficult to get there.

Alderman Levasseur stated we are now looking at instead of doing several small projects and we just got this report today and I will give you a copy, about doing one larger project. Is it possible? The rates are going to go up at night. We know we are going to get more revenue at night for these parking spaces and that would extra revenue that we weren't getting during the regular 9AM – 5PM so is it possible that you can get us to that number in parking numbers where we could actually figure out if this could be done on a revenue bond instead?

Mr. Clougherty replied the last time we looked at it, the rates that you would have to charge in order to be able to cover that were not satisfactory to the Board.

Alderman Levasseur stated but at the time we did not have another 700 car parking garage coming in.

Mr. Clougherty replied we will go back and look at that and I can certainly give you a response. I am not optimistic.

Chairman O'Neil stated I think his point about us having monthly rates that are 8 AM-5PM and now there is going to be additional revenue at night maybe on the same space...this report is marked preliminary.

Mr. Clougherty replied we will get a copy and run it out for you.

Chairman O'Neil asked the Committee to take Item 11 off of the table. There was a discussion at the Riverfront Committee meeting earlier. Many people have been sitting here since 5 PM. Can we take that off the table?

On motion of Alderman Lopez, duly seconded by Alderman Clancy, it was voted to remove Item 11 from the table.

Communication from the Public Works Director requesting acceptance and

approval of the reallocation and commitment of other funds up to the total bond appropriation of \$4,000,000 for the Riverfront Development Project.

Chairman O'Neil asked Mr. Thomas and Mr. Sommers to make the presentation again. The Committee approved the recommendation unanimously.

Mr. Thomas stated just to briefly go over this recommendation, at the Riverwalk Committee we recommended moving forward with the next section of the Riverwalk, which is a section down in south Manchester from approximately the Queen City Bridge to Sundial Avenue for \$400,000. This section that we call the NYCOA piece is part of Phase IB. It was deleted from Phase IB when we went ahead with this last contract that is presently under construction from approximately the railroad bridge down to Queen City Avenue because of the need for additional surveys and the acquisition of an easement. With the construction of the NYCOA section of the Riverwalk, we will now have a Riverwalk that ties into South Manchester and the Heritage Trail at approximately Sundial Avenue and will extend up to Commercial Street and Singer field, the section that is already built. In addition, with the funding that is committed for the pedestrian bridge across the Merrimack River and the commitment for funds to build the bike way up out of the Goffstown branch of the railroad right-of-way, we will have a section of the Riverwalk and bike trail that ties East Manchester to West Manchester. In addition, we are continuing with the design of Phase III. Phase III is the section from Granite Street northerly by the Gateway buildings. That project has moved forward at a reasonable pace. Design is on hold now as we are receiving input back on various permits that have been applied for. It doesn't make sense to finish the design until we get all the feedback. That is the recommendation on the NYCOA piece. In addition to that, the table on the last page of the handout that I just gave you notes the commitment to date, notes the allocation of the NYCOA piece and notes a small contingency that we have in there to cover costs that may overrun in construction or if we determine there is a need to do additional studies for parking or whatever. That leaves a reserve of \$1.4 million that we are recommending be kept in reserve right now to address parking issues. As I mentioned in the Riverwalk presentation, we have a detailed parking study being finalized for the Millyard. In addition, there is another parking study that is being done by the same consultant for the downtown area. Both of these parking studies are going to be tied together. Once this report is completed and we expect it to be completed in the near future, we will have pretty much one document that will talk about present utilization of parking facilities in the City in the Millyard and in the downtown. We will have provided what I would classify as good detailed design on some of the potential locations where a parking facility can be built. In addition to the Millyard potential parking facilities, we also have preliminary designs being done for the federal building parking lot on Pine Street and also for Pearl Street. With this study and with the parking reserve money we

will then be able to address parking needs in the Millyard or in that area that we would want to spend...not to encourage development but to insure that the economic development takes place.

Alderman Clancy stated I see down here a study for traffic, \$12,000 and a parking study for \$40,000. Was that mainly for the Millyard?

Mr. Thomas replied that is correct.

Alderman Clancy stated we do need a parking garage. I have always said that. I would vote for a parking garage before the Riverwalk right now. Out of that \$400,000 here it says design and construction phase. How much for design and how much for construction out of that \$400,000?

Mr. Thomas replied approximately \$35,000 is for design and the rest is for construction.

Alderman Clancy asked how big of an area is this going to be again. From where to where?

Mr. Thomas answered this is a section that starts at the Queen City Bridge, goes under it and south down to Sundial Avenue near Hesser College. It is approximately 1,000 feet. It includes a fence that we are going to have to relocate in front of the NYCOA piece and it is going to be a public connection, which gives us a project that now has two public connections at either end, which we feel is very important.

Alderman Clancy asked what do you mean by public connection.

Mr. Sommers answered that means that people can get to it publicly without going across private property or property that we don't have easements on.

Alderman Clancy asked how far south are we going to go.

Mr. Sommers answered that is it. That is the southerly point.

Alderman Clancy stated I thought we were only going as far as the Queen City Bridge. So we are going to pay \$47,000 for property?

Chairman O'Neil replied that is the Rubenstein property.

Mr. Thomas stated that is the section of property that we purchased next to the Rubenstein property that was owned by the railroad so that we could have a contiguous piece up there.

Alderman Shea asked are the two sections going to be connected. In other words, the present one that is built now is that going to be connected to the one that is going to be constructed?

Mr. Thomas answered yes. The Riverwalk, well there are three parts to this right now. There is the part that is being constructed by Singer field. That is going to tie into Phase IB, which is approximately from the train bridge down to Queen City Avenue. That is under construction and will be finished this summer. The next piece, the NYCOA piece, will tie to that and continue southerly to Sundial Avenue so you will have one continuous piece from Sundial Avenue up to South Commercial Street and Singer field.

Alderman Shea asked is this all bonded money that we are using.

Mr. Thomas answered that is correct. This is all part of the original \$4 million bond that was allocated for the Riverwalk.

Alderman Shea asked the total amount that we are going to spend for the Riverwalk for the three different sections is going to be how much. \$2.6 million? The one that we already constructed and the two that are going to be...the one that is going to be completed and the other one.

Mr. Sommers answered these three pieces are about \$1.6 million. It was about \$500,000 for the part that is done at Singer field. I believe it is another \$700,000 for Phase IB and then \$400,000 is the budget for the NYCOA piece, which I believe is conservative but I feel we need to hold on to that for contingency. There are other monies that have been spent on the entire Master Plan and things like that and on the design of Phase III so that will bring you up over the \$2 million.

Alderman Shea asked how much of a distance is it. Is it a mile?

Mr. Sommers answered this entire section is just short of a mile.

Alderman Shea stated so we are spending about \$2 million for this.

Mr. Sommers replied roughly \$1.6 million.

Alderman Shea responded but there was also that other money you spent on the Master Plan.

Mr. Sommers replied but that money you would spread out over the entire project.

Alderman Lopez moved to approve the recommendations from the Public Works Director. Alderman O'Neil duly seconded the motion. The motion carried with Alderman Shea being duly recorded in opposition and Alderman Cashin abstaining.

Chairman O'Neil addressed Item 4 of the agenda:

Appropriating Resolution:

"Approving the Community Improvement Program for 2002,  
Raising and Appropriating Monies Therefore and Authorizing  
Implementation of Said Program."

- a) discussion relative to expedited projects;

Deputy Clerk Johnson noted I have a handout from the Planning Director relative to the expedited projects.

Mr. MacKenzie stated just to recap so that you understand why we do this process, the expedited process, previously our fiscal calendar was a calendar year. Once the fiscal year conversion bonds happened and we converted to a fiscal year starting July 1 that did create some difficulties, although overall beneficial for the City, for the planning and development and quick implementation of some of these major projects. We do encourage or we worked with the Board to find a way that we can get these projects up and running for this particular summer. In order to do that we would need an action by the Board, a final action, sometime early in May in order to have these projects up and running this summer. That is why we show you the whole package of all of the projects together, including these so you can get an idea of what the total package is but if the Committee and the Board concur, we will move these projects ahead of the rest of the projects so that they can be done this summer. We did confer with the agencies that were looking for funds this year. There are six projects that have been requested to be expedited. Five of those six are with the Highway Department and Mr. Frank Thomas is with us tonight. The other is a Parks project. Probably you are familiar with most of these projects and are probably familiar with why they have to be expedited but we do have both agencies represented here to explain if you want a detail as to why they want to move them ahead this summer. If I could further charge ahead, in order to make all of this happen as an expedited process we have

been working with the City Clerk's Office and others to make sure that it does happen. It is a tight schedule. Tomorrow morning we would have to provide the bond resolutions and the amending CIP resolution to the City Clerk's Office to be on the Board's agenda for next Tuesday. At that point, they would lay over to a subsequent meeting and the Board could, in theory, act on it in their first meeting in May. At this point, I would be happy to answer any questions.

Alderman Clancy stated I noticed here the asbestos for Green Acres School. What about Beech Street School? Where are they at?

Mr. MacKenzie replied I do know that there are some ceiling issues there. I don't believe Tim Clougherty is here tonight. I wonder if Frank Thomas is willing to take a stab at that.

Mr. Thomas responded I don't have an answer but I can get one for you.

Mr. MacKenzie stated the City is aware of that problem. Certainly Highway is aware of that issue and...

Alderman Clancy interjected the reason I say this is how do they get all of the other schools in the City other than Beech Street. Beech Street is in the center City. We are bursting at the seams there. We have those miserable portable classrooms down there. We do need some attention.

Chairman O'Neil asked can someone get back to Alderman Clancy as soon as possible.

Mr. Thomas answered yes I can do that.

Alderman Lopez stated in reference to the 820201 and that is the \$400,000 for motorized equipment under the non-department items that were proposed...

Mr. MacKenzie interjected there are actually two different funding sources for motorized equipment. One is the larger equipment and that is typically the big-ticket items like fire engines and the larger highway department vehicles are bonded. That is what this \$1 million is for. The other smaller vehicles like police cars and fire cars will come out of the regular operating budget. There is a line item for those particular purchases separate from the CIP process.

Chairman O'Neil asked can we get for the entire Board copies of...I know there are recommendation sheets on both of those. I don't know who has them. Wayne, do you?

Mr. Robinson answered I can go get them for you.

Alderman Lopez stated I was just concerned whether the \$400,000 that was recommended in non-department was in that CIP number and he answered the question.

Alderman Gatsas stated let me understand. The total of \$11 million that we have available for bonding, this takes up \$9.5 million of.

Mr. MacKenzie replied that is correct.

Alderman Gatsas stated so there is another \$1.5 million that is available.

Mr. MacKenzie responded the Mayor did propose...there are two or three projects. One is the revaluation, the final third year of the revaluation costs and the Cohas fire station is in there but they will not need the money until later this year and there was a third project I think.

Alderman Gatsas asked what do you mean when you say they won't need the money until later.

Mr. MacKenzie answered the City is still attempting to acquire the site for the Cohas area fire station. This would not happen until the next fiscal year so the money is not needed until then. The thermal imaging cameras is the last project. So, those are the three projects, I believe, that would be in the balance of the \$11 million as proposed by the Mayor.

Chairman O'Neil stated so the Mayor has recommended projects for that \$1.5 million, but they just don't need to be expedited. Let's get the information on Beech Street School first.

Alderman Gatsas stated so I am assuming that the bus ride that I took the Aldermen and Mayor on last year to a park when we were out investigating discontinued streets...up at Derryfield Park to look at that equipment I guess fell upon deaf ears or they didn't want to put it as a priority. I don't think you were there, Alderman O'Neil, but I took everybody on a little joy ride when we were doing discontinued streets. I believe all the equipment was pulled out of there because it was deemed as dangerous so there is nothing left at Derryfield Park.

Chairman O'Neil asked is playground equipment a bonded item or City Cash.

Mr. MacKenzie answered there is a separate account and I would perhaps ask Ron Ludwig to come and tell you what his proposed use would be but there is a smaller

account of \$80,000 that is called Park Improvement Program-Cash. That is used for small improvements to tennis courts or playground equipment. There have been requests in that for a number of years and off the top of my head I don't have the list as requested by Parks & Recreation but that does sound like the type of project that would come under that category.

Chairman O'Neil asked, Ron, are you in a position to answer that tonight.

Mr. Johnson stated just to answer Alderman Gatsas' question on Derryfield Park, it was listed in our CIP request but we had 32 projects this year in the CIP and several of the ones that were listed as expedited projects are continuing projects of work that had begun over the last couple of years at Prouts Park, over at the Piscataquog River Park...their additional funding request. We are interested in applying for a grant through the UPAR program, which was mentioned earlier tonight and we have identified Derryfield Park as a potential project for the UPAR program. UPAR is the Urban Park Action Recovery Program and in order to apply for those grants, this year's grants are for rehabilitation work of neighborhood parks and I think Derryfield would be one that would be eligible. We have identified in the CIP that being a potential project pending approval of the grant. The pre-application for the grant is due in mid-June and we wouldn't get final approval until probably later in the summer. We did identify...I think it is misidentified but the UPAR program I think was listed in the CIP as a potential grant source. At Derryfield Park I think beyond just playground equipment there is a need to take an overall look...the roadway system and the tennis courts are in disrepair. We did do a preliminary study for Alderman Gatsas last fall, which identified the funding, and I think it was on the magnitude of \$350,000 to \$400,000 of needed improvements at the park.

Chairman O'Neil asked within that \$80,000 of CIP Cash do you know what the department is recommending that be used for.

Mr. Johnson answered typically what we do with that funding is small playground repair like if we need to replace some small pieces or fencing and that is why it was identified for those items that really can't be bonded. I think when we are looking at Derryfield Park it is going to be an extensive project. That would eat up the whole amount of that money.

Chairman O'Neil asked how much to replace the playground equipment.

Mr. Johnson answered I would have to go back and look at the estimates.



Chairman O'Neil stated you have done a number of these. You did Stevens Park. I know that you better be doing Sheridan-Emmit Park this summer. You have done a number of these so what have the costs been?

Mr. Johnson responded believe it or not a neighborhood playground can range from \$125,000 to \$150,000. That being because of all the safety requirements. We have to make them all ADA accessible and we have to provide sidewalks, curb cuts and then there is a special treatment that has to go underneath the play equipment. It is not just really putting in playground equipment. Sheridan-Emmit Park, we had bid opening last week and we have a contractor or we are trying to get a contract going for the summer. That project is estimated at around \$225,000.

Chairman O'Neil stated playground equipment has come a long way, hasn't it.

Mr. Johnson replied well when you get into all the site work and all of the ADA access requirements it does drive up the cost.

Alderman Cashin asked if you are replacing existing equipment do you have to do all of that.

Mr. Johnson answered the reason we took out that equipment is it did not meet any safety codes. We had been contacted by the Risk Management office. When it was put in...there are no walkways to that area where it was located at Derryfield Park. It was really just put in among railroad ties and sand and that is not deemed appropriate anymore.

Alderman Cashin stated I spoke to Ron Ludwig a couple of weeks ago about Theodore Park. There is no equipment there right now. There used to be but I don't know what happened to it. If we were to put equipment right back in the same location we have to put walkways in and all of that?

Mr. Johnson replied we would have to provide ADA access, which requires walkways, curb cuts and the base of the equipment...we put in a fiber base underneath the playground equipment.

Chairman O'Neil asked even if we were using City cash and not taking federal money.

Mr. Johnson answered yes. We need to comply with the City's ADA transition plan.

Alderman Cashin stated I don't want you guys to forget about Theodore Park.

Alderman Clancy stated the wall at Stevens Park on Tarrytown Road, evidently somebody hit it with a plow. It needs some attention. It is down.

Chairman O'Neil asked do we have any idea what playgrounds have not been done.

Mr. Johnson answered a few years ago we had the neighborhood playground initiative where we addressed five playgrounds. Those being Stevens, Howe Park and a few others. Raco-Theodore does have a swingset there now and there is no other play equipment at Piscataquog Park so in that particular neighborhood there is nothing at this time.

Chairman O'Neil asked can we make a list of what has been done and what neighborhood parks are still outstanding. Can you provide that information to the Board please?

Mr. Johnson answered sure.

Chairman O'Neil asked are all the parks...absolutely positively we will spend that money in FY2002.

Mr. Johnson answered we could begin today. I was out at Piscataquog Park. We have a contractor on site and he is wanting to go to the next phase.

Chairman O'Neil stated well West Memorial we have already committed that money and we told you to go ahead. Livingston, Prouts and Piscataquog we are ready and the money will be spent in FY002?

Mr. Johnson replied yes. At Livingston Park I will just mention that we submitted a grant to the Land & Water Conservation Fund last week, which is through the State of New Hampshire Division of Parks & Recreation and that was for \$100,000. We have a local trust fund that is committed to match that grant at \$100,000 and the City is contributing \$200,000. So the total project will be...

Chairman O'Neil interjected will we spend the \$200,000 at Livingston Park.

Ms. Johnson replied yes. It is for the trail project at Dorr's Pond.

Chairman O'Neil stated the point being that if we are not going to spend it we have other needs.

Alderman Gatsas asked how much in that grant that you are looking for that you may have earmarked for Derryfield but I think a lot of fingers are going to be in that pie.

Mr. Johnson answered I took a look at the guidelines and they are for rehabilitation grants for neighborhood parks. That is specifically what they are to be used for and it has to be within the Master Plan. It is the recovery action plan that our department put together so it has to be within that program to be eligible for the grant. It is a 70%/30% grant. The federal government provides 70% and the City would have to match 30%.

Alderman Gatsas asked how much is that money.

Mr. Johnson answered the total available from the federal government would be \$500,000 so that would mean the total project would be \$750,000.

Alderman Gatsas stated so what you are saying is that...30% is that \$650,000 or \$750,000.

Mr. Johnson answered \$650,000.

Alderman Gatsas asked so what you are saying is that we would have to find funds here for \$150,000.

Mr. Johnson answered that is right.

Alderman Gatsas asked so if we could find funds for \$150,000 at Derryfield that gets us to a total of \$650,000 there.

Mr. Johnson answered correct.

Alderman Gatsas asked is there anyplace we can find \$150,000 in this package.

Chairman O'Neil stated the only point I want to make is...I don't want to disagree with where you are going with this but again do we need to be putting money...you are not going to find out until when that you are awarded this grant.

Mr. Johnson replied that would be later this summer. It wouldn't have to be an expedited project. I think when I spoke with the CIP staff that is how they wanted to address it. We wouldn't get approval on the grant until June or July so once that became available then we would go ahead and make the recommendation to the Board.

Alderman Gatsas stated what I am getting to is we are committing \$150,000 and that is the project that it is going to, obviously with the \$150,000 they could start on some of the expedited portions of that so that we are not looking at next year before there is a completion because expedited is not going to take them anywhere close unless they can get started sooner.

Chairman O'Neil asked how long a project is that.

Alderman Gatsas answered what we would probably propose to do is for the \$650,000 we would like to look at as we had shown you earlier the tennis courts, the parking lot and the playground and we would have to get some engineering design work. We wouldn't get approval to start the project until July or August and then we would have to do that engineering work so construction probably would begin in late fall and then carry into next season.

Alderman Gatsas stated my question is if we expedited \$150,000 you could start the design work and maybe get the equipment in on the front end.

Mr. Johnson replied on the federal grants you cannot obligate any funding prior to approval.

Alderman Gatsas asked regarding West Memorial field and I don't know if you can give me this answer but I am going to ask the question anyway, I heard a disturbing comment the other day that the utilization of that field was limited to just West. Is that true?

Mr. Johnson answered right now we do have a sign-up there saying that it is under construction and it is for West's use only at this point. The School Athletic Director has developed a schedule for the facility beginning in August through next fall and they have it scheduled quite a bit. I believe it is available on some weekends and on Sundays. The reason we put that field in was so that all of the varsity teams could practice right there and I believe he has it scheduled from 2:30 PM until 8 PM during the week. On Saturdays there is some practice, but there is availability on Sundays.

Alderman Clancy asked is that the same thing as Livingston Park.

Mr. Johnson answered at Livingston Park at the new track facility, that is for Central High School. They schedule the track meets and use the fields out on the DW Highway. Schools have first priority on those facilities and then we do permitted on an as needed basis for other groups.

Alderman Lopez stated I have been involved with Ron Johnson and also with Pop Warner at West. What happens is the School Department has to come out with their guidelines in working with Parks & Recreation because we had a problem with Pop Warner and now I believe that the School Department is going to let them play on Sunday. The cost factor and, Ron, I think maybe you are more up-to-date but the cost of electricity and lights and all of that is why the School Department has to come out with some type of policy.

Chairman O'Neil asked so we have some fields in this City that the School Department controls and others that Parks & Recreation controls. They are not all controlled by Parks & Recreation?

Alderman Clancy stated my understanding is that West Memorial field is being controlled until it is completed. It isn't completed yet and as soon as it is I think that will be up for discussion.

Mr. Johnson stated I met with some members of the School Athletic Committee wanting to know what they could do. They were getting requests from various leagues to use the facility and more particular at West High School where they have developed a schedule where they can use it pretty much all the time. It is the only field that they have right at their campus. When they brought out that schedule, it was pretty much booked during the week. I think what the School's Athletic Committee would like to do is protect the investment that the City has put into that facility and they are developing guidelines right now on use. One would be that if, for instance, at West field a non-school use or out-of-town use wanted to use that facility there would have to be an attendant on site to make sure that the restrooms are opened and closed and that there is proper use of the track. One of the other issues are the sports lighting that will be at West and also at Livingston. It is quite costly. There are demand charges associated with it and typically what we do at our parks right now...all the leagues in the City pretty much are responsible for their electric bills for their lights. We are just saying that there is going to be a cost associated with it. We have recommended that the School Department take over the billing of the lights themselves and they would have more control. If their track teams wanted to use the facility at night then they would, in essence, make the recommendation to the track coach to keep them on and then pay for the bill.

Alderman Gatsas stated I am not talking about outsiders using the field, I am talking about...obviously the condition of the fields in the City right now does not allow for Memorial or Central to go out and practice. My concern is have they had the availability to use West or is just West using it?

Mr. Johnson replied I really can't answer that. Last week we did have a request that we made that the recreational leagues and the schools stay off the fields. The fields were thawing. Snow was still on a lot of the fields and they were doing a lot of damage out there. The West field, because of its nature being an artificial surface, it did melt a lot sooner. It drained right off so they could get on there. To my knowledge and I would have to check with the Athletic Department over at West High School to see if other schools have asked to get on there.

Alderman Gatsas asked have we made an accommodation to the other schools where I believe certainly that at West Memorial those are all taxpayer dollars for the entire City and because of the weather that we are in I would think that some accommodation would be made to the Central baseball team and the Memorial baseball team to have an opportunity to practice on it.

Mr. Johnson stated the City Athletic Director was at the office and he didn't bring that issue up. I know the other schools have been using gymnasiums and parking lots but to my knowledge we haven't had a request from the other schools.

Alderman Cashin stated it hasn't come to my attention. Have they requested to use it?

Alderman Gatsas replied I am not going to say that they have requested to use it, I am saying that they haven't been allowed to use it. I don't know what the request process has been. I am just saying that I think that the availability...you know obviously because of the nature of the weather that somebody because the City has decided to put it there shouldn't have an undue advantage over another school.

Alderman O'Neil asked can you get together with the Athletic Director, Ron, and report back with a letter to the Board.

Mr. Johnson answered yes. One other thing, we are still under construction at West and we have let them know that as soon as the weather improves the contractor has to get back in there and start work again and even West High School at times won't be able to use the facility. We have to put the final pavement down on the track and then we need to do the grandstand work. We will get back to you on that.

Alderman Gatsas stated I don't question that and I think that is more than reasonable but I think that if it is being used by one school there should be some availability of time and somebody not told that they can't use it because they are not from West.

Alderman Cashin stated I don't think that is happening.

Chairman O'Neil stated okay, Ron, check into it and get a letter out to the Mayor and Board of Aldermen please.

Alderman Gatsas asked can we put a time specific on that.

Chairman O'Neil asked can you get something to us by Friday.

Mr. Johnson answered yes.

Chairman O'Neil asked, Frank, are you comfortable with all of the expedited projects.

Mr. Thomas answered yes.

Chairman O'Neil stated I noticed that under parking facilities it says Traffic Department but generally you handle all of the engineering don't you.

Mr. Thomas answered yes.

Chairman O'Neil asked and that will be the same situation with Victory Garage.

Mr. Thomas answered yes.

On motion of Alderman Cashin, duly seconded by Alderman Lopez, it was voted to approve the expedited CIP projects.

Chairman O'Neil stated Bob just to walk us through this real quickly, you will get it ready for Tuesday night and it will lie on the table so approximately four weeks from now we will be approving it.

Mr. MacKenzie replied yes. We will be shooting for the first meeting in May to get a final approval. If the Committee does recommend it, we will get the paperwork and work with the City Clerk to get it on the agenda for next week.

Chairman O'Neil stated I guess the most critical item is some work at Central High School where windows and things need to be ordered.

Deputy Clerk Johnson stated I wanted to note for the record that the expedited projects will remain in your FY2002 CIP as well so they are going to be showing up in two places. The reason for that is because they need to be taken up at the public hearing before everything gets acted on and before you delete them out of the CIP so we are going to leave them in two locations, but we will monitor them

from the Clerk's side and when we feel it is appropriate we will ask you to take the action to remove them from the FY2002 CIP because they then will be budgeted in FY2001.

- b) discussion regarding remaining FY2002 CIP requests; and

Deputy Clerk Johnson stated I would note that you have acted on recommending the expedited projects. I know that you still have three or four other bond projects because at least then you would have all of your bond projects on the table and you could decide what you want to do about the rest of your tables and how you want to proceed.

Mr. MacKenzie stated I did want to check with the Committee to see what additional information you might like to see. At this point, you have not seen all of the requests by all of the departments. Again, the requests far exceeded the ability to pay in terms of the bond limits that you do have so at some point you may want to see the...

Chairman O'Neil interjected do we want to see the requests or are we comfortable with the recommendations.

Alderman Gatsas asked what procedure are we going to take for CIP. The same one we took last year or are we taking a different avenue?

Chairman O'Neil asked meaning.

Alderman Gatsas answered well last year we were done CIP in a blink. Are we following the same procedure this year?

Chairman O'Neil replied well I would hope that we could move it along and concentrate on the operating budget. I don't know that we need to go through every request and bring everyone in. I don't know what the feeling of the rest of the Committee is.

Alderman Lopez stated I think that there are some other CIP projects that we should maybe take a look at before we finalize this. There must have been some sort of priority that was established in making these recommendations.

Chairman O'Neil asked do you want a copy of the requests then.

Alderman Lopez asked how many requests were there.



Mr. MacKenzie answered typically what we do is every agency and every department requesting funds are required to provide detail sheets on every project they ask for and they also provide a summary sheet. On that summary sheet we ask them to prioritize in their own opinion every single project. Typically when we assist the Mayor we would recommend to the extent possible that he support the priority recommendations of each of the departments because they have the City wide view and they deal with each one of these and that is how the prioritizing system works. We assisted the Mayor and we reviewed every project and in general I think we did follow most of the departmental priority requests and the School District's priority request. We can at least start off with the sheets of all of those summaries that shows you each of the projects and how they prioritized them within their own request.

Alderman Lopez replied I am not interested so much in that. I am interested in...there must have been some way with all of the projects that were requested...what percentage, let's say 30% was approved?

Mr. MacKenzie stated of the bond projects...the other categories are a little different, but the bond projects are the critical ones. I think we had \$42 million in requests and we funded \$11 million. That is about 25% of the bond projects that were requested were funded.

Alderman Lopez asked so there might be five other projects beyond those that would be a priority. There must have been some priority.

Mr. MacKenzie answered there were a number of important projects that were not funded and some projects that were requested in larger amounts and not able to be funded at the full amount. The Cohas Brook Fire Station, for example, was requested for a couple of million. We sat down with the Fire Department and asked them if they would need that money in this fiscal year and in looking at the timeline, they could partially fund it in FY2002 but they wouldn't need the final amount of the funds until FY2003.

Alderman Lopez stated so the \$1 million that is listed here for the Fire Department is not really the money that they need.

Mr. MacKenzie replied that is not the total amount. They had an allocation in the current FY2001 and this could be a portion and you would have to finalize it in the FY2003.

Chairman O'Neil stated they would need approximately \$1.5 million in FY2003.

Alderman Gatsas stated in the Administration Committee we formulated a sheet that if a project was going to come forward that it would show the complete fiscal impact to the City. The number of employees that would have to be there, total equipment...obviously I know that I haven't seen one on that project.

Chairman O'Neil replied I think we did because I think it was the example used.

Mr. MacKenzie stated yes I know that was the one that was questioned. I have not seen those sheets. The Committee on Administration requested them and the City Clerk's Office reviewed the sheet with us but I think all of those went to the City Clerk's Office. I am aware that the departments were aware of the requests and there was a due date that the Committee requested them, but I have not seen those reports.

Chairman O'Neil stated maybe it needed to be finalized but I am absolutely positive that as we developed and as a matter of fact I think Alderman Hirschmann had the Fire Department bring it in...I don't know that we formerly accepted it as part of the formal CIP process but I know that was used as the example. I am positive of that.

Alderman Lopez replied you are absolutely correct. I would like to have Carol talk about that because she is familiar with the project sheet.

Deputy Clerk Johnson stated the Board accepted a report of the Committee to have those reports and we did forward notices to the department heads stating that if they were going to have projects they needed to forward those forms to CIP. I know that we received phone calls from departments looking for them on the G drive and we told them that it wasn't available there and they had to use the forms they were sent. We also suggested that maybe CIP would want to put the forms out on the G drive and redevelop them. Those forms should have been submitted to CIP the way they were instructed with their CIP project requests. I don't know if Bob has them from the departments or not because we didn't receive information from CIP on them. If they submitted a project request for CIP they were supposed to submit the forms as well. That was the instruction.

Mr. MacKenzie replied our office has received a few and the critical ones like the Cohas Fire Station we did receive that information. I don't believe we have received them on all of the projects, but we do have them on three or four projects.

Chairman O'Neil stated with regards to bonds the only one that is appropriate is the fire station.

Mr. MacKenzie replied the only other one might be the McLaughlin School addition, but I don't believe we received one on that.

Chairman O'Neil stated as I recall the fire department one was very rough. It might need to be refined a little bit. I believe it was used as an example when we developed the form.

Alderman Shea stated I think they listed the personnel that would be needed and so forth and how much it would break down into cost wise.

Deputy Clerk Johnson stated there were two forms submitted to them and they were very specific as to the information that had to be submitted and the instructions were that they were to be submitted with the project request. It was the understanding of the Board that they would receive those with the project so I guess the best thing I can suggest is that those forms be forwarded to the Committee with the projects that were recommended so they have them for the record as part of what the Board intended.

- c) communication from Chief Driscoll seeking permission to place an order for eight (8) vehicles totaling \$189,934 with this year's State Bid, utilizing FY2002 CIP budget funds.

Deputy Clerk Johnson stated as I understand it, these might not actually be CIP funds but probably MER Cash funds. They are not part of your bond so I just wanted to clarify that.

Chairman O'Neil asked is that in our cash appropriation at CIP or is that a separate line item in the operating budget.

Deputy Clerk Johnson answered it is on the operating budget side, but CIP would have to approve any vehicle purchases so it would initiate here to go to the Board anyway because it is a transportation issue and CIP handles the transportation. There is a handout that was given to you by Mr. Robinson of the Mayor's Office that shows what the recommended projects were in the operating budget side for MER as I understand it.

Chief Driscoll stated for about the last five years we have appeared before the CIP Committee in late March or early April and made requests that you allow us to purchase our vehicles...correct that, to order our vehicles prior to the budget being fully funded. There would certainly be no money expended prior to the money being allocated, but if we don't order vehicles now and the date this year is April 18, under the State Bid we would probably not be able to order vehicles until mid-Summer and have a delivery date sometime during calendar year 2002. In

addition to that, the cost would go up between \$600 and \$700 per vehicle. This method of coming before the CIP Committee has worked well in the past and provided us with the equipment that we need in a timely fashion. It has been an expedient method to do it, as well as doing it from a least expensive way. We would be pleased to answer any questions you may have. Paul can certainly answer the financial questions and Rick can answer questions about the fleet if necessary.

Alderman Lopez stated Chief you are requesting \$189,000 for eight vehicles and the Mayor's budget under motorized equipment there was only \$400,000 that was allocated, which took in about six other departments so if we gave you \$189,000 we would be hurting other departments.

Chief Driscoll replied I can't speak to the needs of the other departments nor did I know the total allocation in the Mayor's budget. We contacted the Mayor's Office and advised them of this as we have done in the past and at that time learned that there was simply not enough money to go around and that there were only two vehicles allocated in this year's budget for the Police Department. I point out to you that police vehicles are almost a consumable at our department in that we drive one million miles a year and we depend on those cars to move our people about and that needs to be done in a safe vehicle. At that time, it was suggested by the Mayor's Office that we correspond with him to bring this to the CIP Committee's attention to see what action you folks would take.

Alderman Lopez stated we received a document from Wayne and I don't have to read it all but there are other departments, if we did this, that we are going to have to take \$139,000 from. The Fire Department needs \$68,000; the Building Department \$12,000 and so on down the line. With the strain of the budget the way it is, I just don't think that...I can't vote for this right now without knowing how it is going to affect the other departments.

Chairman O'Neil stated you mentioned if we ordered them by April 18 they would be delivered by when.

Chief Driscoll replied sometime after July 1.

Chairman O'Neil asked give me a window. As late as the first of the year? So there is at least a six-month window?

Chief Driscoll answered yes.

Chairman O'Neil asked what is it who gets in first gets the first cars that come in.

Chief Driscoll answered yes.

Chairman O'Neil asked what is the current cost for a cruiser.

Chief Driscoll answered \$23,898 and that is with the light bar and all the equipment that goes with it.

Chairman O'Neil asked if we ordered in mid-Summer, is there a cut-off date then or is it any time after mid-Summer.

Chief Driscoll answered if you ordered in mid-Summer, you would at that time pay approximately \$700 per vehicle more and the cars would be delivered sometime after January and maybe as late as August of next year.

Chairman O'Neil asked that would be approximately \$24,500 for a car. What year car are we talking if we ordered right now?

Chief Driscoll answered 2001.

Chairman O'Neil asked and if we waited to order them would those also be 2001.

Chief Driscoll answered for the most part the year of the car, as long as the car is new and has a life expectancy, the year of the car really doesn't matter to us. If we could buy 1995 cars right now for the right price, as long as it was a brand new car we would be happy with that.

Chairman O'Neil asked just for curiosity, in the past three fiscal years how many cars did you get.

Chief Driscoll answered between 8 and 12 per year.

Chairman O'Neil asked do you happen to have that number or could you provide that number to us.

Mr. Beaudoin answered I could provide that to you. As the Chief said, depending on our needs it was somewhere between 8 and 12.

Chairman O'Neil asked can you go back about five years and let us know how many cars the Police Department bought under State bid.

Mr. Beaudoin answered yes.

Alderman Clancy stated as I look over what the Mayor's recommendation is for MER, which is \$400,500 and every department here wants something like the Traffic Department, School Department, Police, Highway, Fire and Building, I myself would go with the recommendation of the Mayor and give them the two cruisers at \$50,000 right now.

Alderman Clancy moved to allow the Chief of Police to place an order for two (2) vehicles not to exceed \$50,000.00 with this year's State Bid, utilizing FY2002 Motorized Equipment Replacement funds. Alderman Lopez duly seconded the motion.

Chairman O'Neil stated, Rick, you have been with the Police Department for a period of time and I can't think back when but there was a time when we didn't buy any cruisers in the mid 90's I think. Are you able to document how much the repair costs go up by not replacing the cruisers yearly? It used to be that within a two-year period we replaced all cruisers.

Chief Driscoll replied it was pretty close or we moved a cruiser with 60,000 or 70,000 or 80,000 miles to a slot where it would accumulate miles very slowly and keep it another two years or so...I will tell you that we buy with these vehicles the 100,000 mile warranty which covers the drive train and if, in fact, we get beyond the 100,000 miles and the City starts paying the bills, they are extraordinary. It simply doesn't work.

Chairman O'Neil asked and the \$189,000 was for how many cruisers.

Chief Driscoll answered eight. Our expense budget in this year's budget is the same as it was last year and that figure is \$30,000 less than FY2000. Should we keep some of these cars and not get the allocation of eight that seems to be the optimum number for us to continue to move forward...if you look at the cars that we are turning in down at the MTA very few people want them. They sit down there because they are just totally worn out. Those are the types of vehicles that we are turning in. It is my feeling and I appreciate, certainly, the opportunity if this motion is passed to order two vehicles but I really think that is going to create a significant issue and set us back and you are going to see the expenses go up as well as in years to come the fleet is going to deteriorate that much more. You have to consider that these are 1996 automobiles that run seven days a week, 16 hours a day. They get a lot of use.

Chairman O'Neil asked approximately how many miles are on them.

Chief Driscoll answered about 90,000. Paul usually, when he does the projections for the number of cars that we need, he projects the mileage to the date which we

believe we might be able to replace them and that is the way the allocation is determined.

Alderman Shea asked you need eight, right Chief.

Chief Driscoll answered yes.

Alderman Shea asked if you get two you will need six right.

Chief Driscoll answered right.

Alderman Shea stated you mentioned before that the price goes up at a certain period of time. I think you said if you don't buy them by...

Chief Driscoll replied if you don't buy them during the State Bid period, once that date passes...see what they do is they are kind of a special car. They have heavy-duty suspension and different engines and generators and all this kind of stuff. They are a police package and they only make them in batches. They do production and then they are done and for the most part you can't buy them for the rest of that year.

Alderman Shea asked so all departments that are in need of vehicles tend to utilize that particular process.

Chief Driscoll answered I really don't know.

Alderman Shea asked but you use it and you have used it in the past.

Chief Driscoll answered yes we do.

Alderman Shea asked how much did you receive last year for vehicles, Chief.

Mr. Beaudoin answered either six or seven. I am not sure.

Chairman O'Neil stated the Chief and I have had this discussion many times. I don't think you have enough vehicles. It is better than it was, but I still don't...I think we can be more efficient with more vehicles. What I am aware of is officers end up sharing vehicles. Not front end cruisers, but support detectives, etc.

Chief Driscoll replied that is very true. Paul has an issue that maybe he would like to brief you on.

Mr. Beaudoin stated since we talked last, we have two vehicles that are leased vehicles. The money is provided to us through a Federal grant on domestic violence. That money expires June 30. We are going to have to send those vehicles back so we are going to in fact be two vehicles shorter in our fleet because we won't have those two vehicles any more.

Chief Driscoll stated they are vehicles used by Jimmy Stewart's people in domestic violence.

Alderman Cashin asked who authorized you to lease those cars.

Chief Driscoll answered we came to the Board with a domestic violence grant.

Alderman Cashin asked and we approved the grant.

Mr. Beaudoin stated they are leased at will.

Alderman Cashin responded my point is that this Board did not authorize the leasing of those two vehicles. We probably okayed the grant.

Chief Driscoll stated I think we were very specific though in the grant...all of our grants lay out how the money will be spent whether we are looking for equipment or leases.

Alderman Cashin asked are you saying that in the grant you specified that you were going to lease two vehicles.

Mr. Beaudoin answered it would be laid out as a line item for two vehicle leases.

Alderman Cashin asked so we must have that around here someplace, right.

Chief Driscoll answered I would suspect so, yes.

Chairman O'Neil stated with regards to the now seven school resource officers, there were never any cars that came with those officers there.

Chief Driscoll replied actually we went to dealerships and have made arrangements for second hand cars. They are perfectly adequate. That seems to have worked fairly well.

Chairman O'Neil asked there aren't enough of those are there.

Chief Driscoll answered no there are not.



Chairman O'Neil called for a vote on the motion.

Alderman Shea stated I think the Police Department needs vehicles. There is no question about that. I want somebody to go to Ward 7 and not take a bike over there if there is a 911 call. Bob, did you say that the City has some sort of cash situation? Instead of funding eight, the Mayor is funding two so that would mean that six would need to be funded by cash. Is that right?

Mr. MacKenzie replied all of these items here are under the operating budget. There is a line item for cash so it is not related to our item at all. These are not CIP requests. None of this is CIP requests that the Chief is talking about.

Alderman Cashin asked could I amend the motion. I believe the motion is to purchase the two vehicles. I would like to amend the motion to purchase two vehicles and refer the other six to the operating budget.

Chief Driscoll stated we would simply commit to ordering by April 18 if that motion passed, Sir, to order two to be paid for after July 1 and then hopefully the operating budget would allow us to order the other six.

Alderman Cashin asked but you are not going to order all eight right because I can't guarantee you that you are going to get the money.

Chief Driscoll answered no. I fully understand.

Deputy Clerk Johnson stated I would note so that there is no confusion on this that this is a recommendation from the Committee that would go to the Board for approval. I don't want the Police Department to send a letter out tomorrow.

Mr. Beaudoin replied if we can clarify we have talked to the dealer on this and he said as long as we had a clear indication from the Committee that we were going to get money for how ever many vehicles he would place the order. There is a demand to get those vehicles at first so he felt sure that if it fell through for us he would still be able to sell those vehicles.

Chairman O'Neil stated the Board is meeting before April 18. So after the meeting next Tuesday night you will be able to place an order. The recommendation from this Committee is going to be two vehicles.

Deputy Clerk Johnson stated the recommendation would be to authorize the purchase of two vehicles in anticipation of funds from the operating budget and to

refer the balance of it to the operating budget discussions in the Finance Committee.

Chairman O'Neil called for a vote on the motion. There being none opposed, the motion carried.

Chairman O'Neil addressed Item 5 of the agenda:

Communication from Ronald Robidas, Security Manager seeking assistance in resolving the transfer of authorized funding in the amount of \$126,000 for an anticipated budget shortfall in the CIP School Security Improvements Project.

Mr. Robidas stated without going through the entire history, this is an issue that we discussed with the Board back last August. There was a transfer of funds that were originated with the Board back in September 1999, appropriated rebates to the CIP project specifically for School Security features. In addition, the last motion by the Board was to couple that money, which at that time was \$102,500 with additional rebates that were received in the amount of \$23,800 on July 19, 2000. It was a transfer of an additional \$126,300. The Finance Department and Finance Director and Deputy Finance Director, through subsequent conversations, stated that that money was actually not available to be used as it was intended to be used by the Board because the Board action really, the way it was explained to me, couldn't be taken by the Board the way it was voted upon. That is what leads us to the shortfall. When we got together last year with Mr. MacKenzie and his staff to put together what we needed for allocated funds to pull this project together, we calculated that money in because the \$102,000 had already been approved by the Board back in September 1999. We had an additional \$151,000, which we felt at that time and subsequently was true that NORESCO was going to give back to the City coupled with \$250,000 from the Mayor's CIP budget would give us the authorization of the money we needed – about \$500,000 to complete the project. We came to the Board last August and explained that we had some money and we did sign the contract for \$499,000 working on a 5% contingency for 22 facilities, which is very low but we are maintaining the budget. We came back to the Board and the Board had set-up a time and we had operating funds that would carry us actually until springtime or April of this year. We had subsequent meetings with the Mayor, his staff, Mr. Thomas, and Alderman Cashin and others subsequent to that Board meeting and we thought we had some resolutions resolved as far as funding, but that hasn't occurred. We really feel by April, no later than May we will be out of money and that will leave us in default of our contract. We have three facilities that we have not begun. The contractor has agreed to hold off and give me time to come back to speak to the Committee for the subsequent funding which is West High, Central High and Green Acres, which

we will do as soon as the abatement process takes place. Those three projects are actually the ones that will be breaking the bank. Everything we have done to this point we can pay for, but we can't enter into those three facilities.

Chairman O'Neil asked do we have a contract with him to do those three facilities.

Mr. Robidas answered yes we do.

Chairman O'Neil asked and that is the \$126,000.

Mr. Robidas answered that is correct.

Chairman O'Neil asked so we have paid him what amount to date.

Mr. Robidas answered we pay on percentages of completion. We have approximately, if I remember correctly, approximately \$150,000 left but we have some bills coming in. He has held off...our contract with him calls for him to be totally completed in all of the schools by August 1 of this year. We gave him one year to complete the project. He is calculating Central High School at 60 days for installation – 60 work days so he was calculating on beginning Central at this point to meet his target date, as well as West High School and Green Acres. This will actually extend beyond because first of all I cannot give him the authorization to continue beyond those points, but again we are still in default of the contract because those buildings were contracted for at the time. In addition, it also puts him up against the wall because he cannot complete by the August 1 date, which we signed a contract for last July.

Alderman Lopez stated I remember this very, very clearly and I remember what the Board did. They said, Red, Finance and Mr. MacKenzie solve this problem and here we are. This is solving the problem? Someone tell us where we are going to get the \$126,000 to solve the problem. That was the direction that this Board gave. They all understood the problem. This goes on and on. I am getting a little disgusted like Alderman O'Neil does sometimes. You guys are the professionals. If you can't solve the problem then you come back and tell us, but here we are at the 11<sup>th</sup> hour.

Mr. Robidas stated actually we came back August and I contacted Mr. MacKenzie's office back in February seeing if there had been some resolution because again we had met with the Mayor and Mr. Robinson and Mr. Thomas and we thought we had a resolution at that time.

Alderman Cashin asked what happened to that resolution.

Mr. Robidas answered I will let Kevin speak to that but it is my understanding that Kevin sent a memo to the Mayor saying that he could not proceed in the fashion that we thought we had agreed upon at the time.

Alderman Cashin stated I thought we had all agreed to it.

Mr. Clougherty replied no we didn't agree to it, Alderman. There were some proposals that were put out and I said I would go back and look at it and I went back and looked at it and it wasn't something that could be done.

Alderman Cashin asked you were at that meeting weren't you, Kevin.

Mr. Clougherty answered yes I was and I said at that meeting that I would go back and look at it and after I looked at it, it wasn't a resolution that could be afforded. What I did do was on August 28 write a letter to the Mayor stating...and I have a copy of it here that I can pass out if you would like...

Alderman Cashin interjected why didn't we get a copy of the letter.

Mr. Clougherty replied I don't know. I sent it to the Mayor.

Chairman O'Neil stated the directive was from the Board so I don't know why the Board wouldn't get a copy of the letter.

Mr. Clougherty replied the Mayor had asked me to respond to him and give him some ideas and options so I responded to him. As you can see, it says, "per your request the following recommendations are provided regarding the School Security Improvement Program. The bond portion of the Security Improvement Program, \$250,000, has been properly appropriated and, therefore, is available for use for this purpose without further action by the Board of Mayor and Aldermen. The Human Resources Department should, therefore, tailor its spending for this project for the balance of this year, FY2001, to remain within the limits of that appropriation. The CIP staff and Finance will work to seek and identify alternative sources of funding, that is balances in other projects to be transferred to the Security Improvement Project throughout the year. In the event that no alternative funding is available during FY2001, the CIP staff will make recommendations for funding the balance of the project to a new appropriation as part of the FY2002 CIP. It should be clear, however, that no matter what sources of funds is identified for contractual purposes, the service being provided benefits the School District and ultimately, therefore, has to be funded and reported as either an appropriation of the School District revenues or as a chargeback against the School District operating budget appropriation." In the expedited projects that you have tonight, there is an appropriation of \$215,000 for School Security. Now

\$126,000 of that has to be taken care of for this project. That leaves a balance of \$90,000. If you want to do more than that, then my understanding is you would have to go in as part of the CIP process and try to come up with some other source between now and the time that the CIP is adopted. As I had mentioned right along, this is work that is done at the schools and, therefore, has to be treated as a school related issue so that we can make sure that those costs are absorbed by the out-of-district tuition. That has been our position and we have been consistent on that from Day 1.

Chairman O'Neil stated chargebacks and School budget was not discussed back in the summer time. It was never discussed back in August.

Mr. Clougherty replied I think we have made that...

Chairman O'Neil interjected if we go back and check the minutes, I am absolutely positively sure it will show nothing about chargebacks. School was never part of this discussion. This whole thing started, if I recall, from savings from NORESCO. That is how this whole thing started. I never remember a discussion about chargebacks to School or anything like that.

Mr. Clougherty replied you are right. Let me clarify that. This project came on...over the last 10 years we have reviewed a lot of projects and a lot of agendas and I think we have done a pretty good job. This is the one project I wish I had back to jump up and down in front of the Board on. This came in on a night that I was coming back...I had reviewed the agenda just before the meeting and quite honestly it surprised me that it was on the agenda because I thought we had made it clear that those funds were not available. They had been audited and properly accounted for. They had, according to generally accepted accounting procedures, been included as revenue in prior years and that is a fact and entries have been made onto the system and disclosed. When it came in that evening, I distinctly remember it. I sat in the back and said to Bob I don't think there are monies available and I have an issue with that. At that point, Mr. MacKenzie reassured me and said I think this has been taken care of. This is an important project that the Board has to move forward on and we would like to get the Board approval tonight. I said well okay but if there is a problem I will come back the next day. I wish I had stood up at that meeting and had the discussion we are having now. In retrospect everybody is a great quarterback, but I didn't catch it that night. I thought I would let it go forward because of the reasons that Bob had talked about and I thought it was in the best interest of the City to move this ahead.

Chairman O'Neil asked so what you are saying is that those savings were, in fact, never available.

Mr. Clougherty answered they were never available and the project should never have gotten to that point. When the next day I had an issue on this, I talked to Wayne and I talked to others and said this is an issue. This isn't available and we need to come up with some other source. During that time, we looked at certain ones and this is the recommendation I made. I still think it is the right recommendation.

Chairman O'Neil stated that it be taken out of the \$215,000 in the bond for next year for School Improvements.

Mr. Clougherty replied right. The thing on this, Alderman, is that no matter what if you issue the bonds and we have had this discussion about chargebacks for a number of years but if it is a bonded project and it is a project that benefits the schools, that debt service will be paid by the school and if it is a cash appropriation that is funded someplace else, that has to be reported under DRA regulations as a cash related item so that we are passing on to the out-of-town tuition payers the full cost of education, whether it is these projects or Officer Friendly or whatever. It falls under the same category if you do the work. You can't ignore that.

Alderman Cashin stated having attended that meeting way back when, out of courtesy, shouldn't I have received a copy of this.

Mr. Clougherty replied perhaps, Alderman, but at the time the Mayor had asked me for the response and I in haste sent it out. Again, in retrospect on this project I wish I had carboned everybody on everything.

Alderman Cashin stated let's talk about the school buildings for a minute. Do you believe that the school buildings belong to the City of Manchester? Yes or no? Do the buildings belong to the City?

Mr. Clougherty replied yes and I believe that stronger today after some information and discussions I have had with the State. I believe that even stronger.

Alderman Cashin stated so we agree that the school buildings do belong to the City. When we are doing something like security alarm systems in the buildings, why wouldn't that be borne by the City as long as we own the buildings?

Mr. Clougherty replied because right now the use of that building is a school use.

Alderman Cashin responded but the buildings are ours. I am so sick and tired of hearing about these chargebacks and this and that and the other things. This is

what has caused all the friction between the School Board and the Board of Mayor and Aldermen. I know we had chargebacks before they split, but we never got into these controversies because they were all paper transactions and now we are making it so damn difficult that nobody understands it, including yourself I think to some degree if I may be so bold.

Mr. Clougherty replied I disagree.

Alderman Cashin stated I honestly believe that if these are our buildings and they are and we want to do a security system in these buildings, which we own, that we the City should pick up that cost and I don't think it should be a chargeback. That is my personal opinion. I don't know how you and you are making the rules and calling the shots, how you can be calling all of these shots. You are doing it between you and Randy I guess. Doesn't the Board have something to say about this? Don't we have some authority here? Can't we tell you hey look we feel that they are our buildings and we feel it is our responsibility and we feel that it is our cost? Can't we do that? Does this Board have that authority?

Mr. Clougherty replied you certainly have authority as my responsibility as a Finance Officer is to make sure that I follow the accounting rules and the State regulations and that is what I am doing.

Alderman Cashin responded this has nothing to do with accounting practices. This is who owns the buildings. You agreed the City owns the buildings and that is us. That is not the School Board, that is us. If we own the buildings why aren't we responsible to make sure that a security system if, in fact, it is required and evidently it is...

Mr. Clougherty interjected then you should take all of the debt out of the School bonds and bring it over to your side and have it on your tax rate.

Alderman Cashin replied I am talking about the security system.

Mr. Clougherty responded it is the whole thing. You can't just pick and chose.

Alderman Cashin stated, Kevin, this Board can do what it wants to do if the 14 people agree to it. Now you can argue that if you want to, but as long as we own the buildings I don't see why we can't put a security system in those buildings at our cost if we decide to do that and I don't know where you get, honestly, the authority to tell us that we can't do it. If we agree that they are our buildings and we agree that we can do it, then we could have taken the money out of an escrow account and paid for this.

Mr. Clougherty replied again you wouldn't have been able to because again under the accounting rules that we have to follow, the generally accepted accounting principles which are beneficial to us when we want to go and do all of our bonding...if you don't want to follow GAP and you want the Board to do accounting, that is great. If you want to follow the accounting rules, you would not have been able to do that because that money was general fund money for the tax rate and it had to be treated the way it was period and if you want me to follow the generally accepted accounting principles and you want us to do what is...

Alderman Cashin interjected don't put words in my mouth. I am not telling you not to follow...I am asking you number one do you agree that they are our buildings.

Mr. Clougherty responded I agree that they are the City's buildings.

Alderman Cashin stated then I guess the rest of the questions have to be referred to the City Solicitor and I guess that is where I go. When we hired NORESKO, that money was savings from the City side I guess.

Mr. Robidas replied correct. They were PSNH rebates.

Alderman Cashin asked so why can't this money be allocated to a security system. You are saying that it has to go into the general fund.

Mr. Clougherty answered it was a general fund revenue and had to be treated that way. If it hadn't been expended by the end of the year it had to be through a fund balance. That is the rule.

Alderman Cashin stated Kevin you and I are never going to agree. We have never agreed and we are never going to agree. I don't know where you get all of your authority, I really don't.

Alderman Lopez stated I have to agree with Alderman Cashin. I think when the Board and this is a problem that I really have not with this particular issue, but when the Board directs you to do something to solve a problem because of your expertise I think it is only right that as a City Officer you inform this Board when it comes to money that affects the FY2002 CIP budget. Now this Board might have said, had we known this back in August, we might have directed something else to be done. I don't know what that something else is but I am just saying. If Red, you were satisfied or weren't satisfied with the solution or were you satisfied at that time that you thought this would take place and then who told you what? I don't know.



Mr. Robidas replied we thought we had enough money and that was the Board's question. Was there enough operating cash to go for a period of time while this issue was being resolved? The answer to the question was yes. We had total funding available to us on July 19 by the Board action and then we ended up with that subsequent shortfall because as Kevin said afterwards he said he couldn't do it the way the Board had approved it, which dated back to September 1999. When we had the subsequent meeting with the Mayor and Mr. Thomas and Alderman Cashin and those folks we thought we had a resolution at that point. Then prior to signing the contract we had met with Mr. Robinson and Mr. Sherman and Mr. Hobson and myself and Mr. Sherman said one way or another this issue would be resolved even if it had to come out of next year's CIP funding or whether it had to be carried as a debt service or whether it had to be carried as a chargeback. One way or another, we would resolve it. When I spoke to the Deputy Planning Director in February, she informed me that she had checked with Mr. MacKenzie and he said we have no money to resolve this issue and I don't know how we are going to resolve it whether the money was moved appropriately or inappropriately there are no additional funds to resolve this issue. We are up against the wall and we said last August we were going to be up against the wall in April. That is when the letter came to the Committee because I addressed the letter back in February to Mr. MacKenzie's office seeking a resolution and saying have we come up with a resolution to this and again reminding them that we said back in August that we were going to run out of money in April.

Alderman Lopez stated I believe the Board is left out in the dark once again as to what is transpiring. To me this was not a day-to-day operation but a signed contract that was a problem that we tried to solve. I will give an opportunity to Wayne if you want to add anything to that.

Mr. Robinson stated the only thing I would add is that based on that meeting in August, I believe the end result was to come up with a solution but chargebacks was not an option. That is my recollection of that meeting and that is where it stands.

Alderman Cashin stated right. Chargebacks never came up at that meeting.

Mr. Robinson responded and it was never an option.

Alderman Lopez stated along the line of what Alderman Cashin said, if we decided as a Board that we weren't going to chargeback something and the money would have to come from our side are you telling me then that because of the accounting principles you couldn't do that.

Mr. Clougherty replied that is my understanding. I don't think you could do that because it is benefiting the school and I think if you do that you are subsidizing the education...you are having the taxpayers of Manchester subsidize the education of students from other schools.

Alderman Lopez asked but don't we subsidize education anyway.

Mr. Clougherty answered you really don't because all of those costs, whether they are police costs or finance costs or the Mayor's costs, get captured and get reported to the state so they can make those types of determinations. You really have to make sure that you are including all of those items.

Alderman Cashin asked you said students from other schools. What do you mean?

Mr. Clougherty answered when you gather all of this information, Alderman...when you adopt a budget for the School District there are also monies for chargebacks like Officer Friendly, work done by Parks & Recreation and all those types of items. All of those have to be reported to the state so when the state is looking at what is a school tax and what is a local tax, that is part of their calculation. That is also used as a basis for determining what the out of town tuition rate is. So, you have to have that in there and if you don't have all of those costs in there then you aren't really giving a complete picture and that is why the state and that is why generally accepted accounting principles are structured the way they are is to make sure that there is that disclosure.

Alderman Cashin stated but the students coming from other areas pay to come in to our district.

Mr. Clougherty replied right but that rate they are going to pay is based on all of that.

Alderman Cashin asked so you are telling me that because we have tuition students coming in we can't do these things.

Mr. Clougherty answered I am not saying you can't do them, Alderman. I am saying that you have to account for them properly.

Alderman Cashin asked if we didn't have students coming from other areas, could we do them.

Mr. Clougherty answered if you didn't have students coming you would have chargebacks because you would be trying to determine the difference between...unless you gave all of the money for the buildings and everything else

to the school and gave the buildings to the school you would still have to sort that out to determine what is the local municipal rate and what is the local school rate. If you want to take all of the debt service for the schools over on our side, we can do that. If you want to push all of the buildings over to the schools, we can do it that way but you have to be consistent.

Alderman Clancy asked, Red, do all of the schools have a security alarm system right now.

Mr. Robidas answered no.

Alderman Clancy asked how many don't.

Mr. Robidas answered at the moment Central and West do not.

Alderman Clancy asked and Green Acres right.

Mr. Robidas answered at Green Acres we are running off of the old system currently until we have the asbestos abatement.

Alderman Clancy asked in other words you are not going to come back to us for anymore money after this. This is it? This is the final straw?

Mr. Robidas answered that covers the entire contract for this particular project.

Alderman Clancy asked well what other projects are you going to have.

Mr. Robidas answered well we submitted as you saw in the CIP there is \$215,000 that we submitted. We sat down and discussed with Mr. MacKenzie's staff a three-year process not because they were schools but because specifically the City's facilities about using access control. This was actually the foundation to continue to bill our needs through the year. That \$215,000 was the first year of funding to cover the senior high school as was proposed in the CIP budget because it really would have been cost prohibitive to do it all at once. The second year of the project would be to do the middle school and the third year would be to do the elementary schools.

Chairman O'Neil asked go a little further into this access control.

Mr. Robidas answered the access control actually would secure the facility. That is the discussion we have with Mr. Maranto in his office. Are we doing it because of the school or because it is a City owned facility? It is a City owned facility and we are actually securing our facility. The access control can work either during

the daytime and/or evening. It is operational 24 hours a day. There are multiple things we can do with the access control system, which is one to virtually eliminate the key. In talking to Building Maintenance and in talking to the School Administrators and anyone associated with these facilities over the years, there are literally hundreds of keys that are out per facility and nobody has any idea who holds keys to what buildings any longer and people have been coming and going. I have even been told of incidents where people would show up at schools and find people who used to be students there five years ago playing basketball on a Sunday morning. With the intrusion system, we will prohibit that. The access control system allows us to virtually eliminate keys and give us better control of our facility. As an example, we can issue one identification card, which we do with City employees. That literally becomes their key to the facility. We can track who goes into which building. We can control who goes into which building specifically by hours of the day. We can restrict time periods. We can and I have had some preliminary discussions with the School District about this, we can tie into student i.d. cards so at different intervals if they are coming in at different times and/or they are suspended, their card could be removed from the system denying them access. If we have porters who leave our service, we eliminate it. If we have someone who uses our facilities on a temporary basis and they don't return the card, no problem. We can program the card to go dead after X number of days. All of these virtually again eliminate all of the keys because it would cost...cost is really prohibitive to go around consistently re-keying. We have run into some situations where we have had some burglaries in schools even recently where some keys were taken and the problem is they run a master key system and these open up several schools and mostly every door within each one of these facilities. This eliminates all of those problems.

Alderman Clancy asked but aren't we going to have to hire somebody to monitor this stuff.

Mr. Robidas answered no. All of these systems are designed so we don't have to hire any additional personnel to do any of these things. You have a central location and I will give you a perfect example – City Hall. The software actually would sit in Information Support Services but you could literally have someone with a PC at a specific location designated as part of their assigned duties to keep track of their specific facility. So, you have someone who is on staff. We do the same at the Police Department and we have done it for years with no additional personnel.

Alderman Clancy asked there is a cost to it.

Mr. Robidas answered no. It is strictly an administrative process and they are all designed for a window-based system so it is really a clerical function and it does

not require any additional personnel. That is something that I have spoken with Info. Systems about and we have had talks with the City Clerk's Office over the years about it. We can build a network system to control all of the City facilities and we should never have to hire any additional personnel to maintain these. That is how they are designed.

Chairman O'Neil stated the bottom line is the Finance Officer is saying there is no money and that this \$126,000 is not available. Is that correct?

Mr. Robidas replied that is right.

Chairman O'Neil stated the Security Manager has entered into an agreement with a contractor for...

Mr. Robidas interjected well we are currently at \$507,000 but we haven't completed some of the buildings and our change orders. We anticipate running at about the \$525,000 level.

Chairman O'Neil asked but you are short \$126,000.

Alderman Lopez stated we already approved the \$215,000 as an expedited project and you are going to take the \$126,000 out of the \$215,000 is that correct.

Mr. Robidas replied that was not the plan, but if that is the Committee's instruction we can do so understanding that that jeopardizes the FY2002. We are robbing Peter to pay Paul.

Alderman Lopez responded well that is the recommendation from the August letter. Am I correct, Kevin?

Mr. Clougherty stated that was our recommendation. There were a couple of ways you could go. You could do an additional appropriation or you could find some balances. We can provide to the Committee all of the balances you have and all of the different accounts and the different bonds and things like that and maybe what you do is provide some type of a bond...

Alderman Lopez interjected let me do it my way. Use the figure \$215,000 and you need \$126,000. Your recommendation is to take it out of FY2002. If we give the full \$215,000 and don't take the \$126,000 we have to come up with another \$126,000.

Mr. Robidas replied that is right.

Alderman Lopez asked so my question to you is if we take the \$126,000 out of the \$215,000 where do you stand with it.

Mr. Robidas answered we cannot complete the project that we discussed with CIP for FY2002.

Alderman Lopez asked what does that mean.

Mr. Robidas answered that would take care of the access control systems for the senior high schools.

Alderman Lopez asked have we approved the access control system.

Mr. Robidas answered that was part of the \$215,000.

Chairman O'Neil asked do we have a signed agreement with anyone.

Mr. Robidas answered absolutely now.

Chairman O'Neil stated but we have a signed agreement to complete the security system and he is going to expect to get paid by August.

Mr. Robidas replied that is correct.

Chairman O'Neil stated if people tell me that there are bond balances available after what we have gone through this year, I am going to be chasing you out the door because I thought we drained just about everything.

Alderman Lopez stated the only point I wanted to make...

Chairman O'Neil interjected Bob, you are not shaking your head yes or no. I thought we drained about everything with bond balances this year.

Alderman Lopez asked if we approve this \$126,000 we should take it out of the \$215,000.

Chairman O'Neil answered I don't know where else we are going to get it. If the staff tells me that there is \$126,000 kicking around someplace there are going to be some problems I can tell you that.

Mr. Clougherty stated that would still leave you for next year \$89,000 to do some part of that project, although not at the level they are talking about.

Chairman O'Neil stated I am looking for an answer on this bond balance.

Mr. MacKenzie replied the only two bond balances that are currently uncommitted include the monies that you discussed earlier, the \$1.4 million parking reserve issue and the other one is there is a small remaining balance in the police station. The Chief has requested that those funds be used to solve a problem with the firing range in the existing police station.

Chairman O'Neil asked how much are small monies.

Mr. MacKenzie answered I believe \$304,000 left in the so-called police station fund that was not committed to other projects but again the Chief has requested that that be utilized for...

Chairman O'Neil interjected I don't consider that small money, \$304,000.

Mr. MacKenzie stated well relative to the original amount of \$2.5 million that was allocated it is. We had also suggested at the time that we did not know what the liquidated damages would be with the architectural firm. I don't know if that has been resolved yet. That may still be an outstanding issue that we have not confirmed with the Police Department.

Chairman O'Neil asked on this access control, has the School Board bought into this.

Mr. Robidas answered it has never been presented to the School Board. Again, when we discussed it with Mr. Maranto and CIP we were approaching it like it was a City facility and we are securing a City facility.

Chairman O'Neil stated I am a stickler for committing money and then money doesn't get spent and until, in my opinion, we need the School District whether we own the building or not the School District is still the tenant and we need them to approve it and I don't want to see us approving money that they are going to come back later and say we don't want.

Mr. Robidas replied we have had discussions with them over a period of time, but not to the School Board itself.

Chairman O'Neil stated it is a pet peeve with me committing money without spending it.

Mr. Robidas replied it has never gone to the School Board. We have discussed it with the Joint School Committee over a period of time as part of this project

because if you go back to the original NORESO contract that called for access control to be part of the intrusion system and there was not enough money to do both at the time so they were separated out. They bought that package at the time. This is going back and filling in that first phase, which was never completed which they had agreed to as part of the NORESO contract. It has been discussed as we went through the Joint School Committee at various times and it has been discussed as we moved along with School Administration, but it has not gone to the full School Board.

Chairman O'Neil asked is it included in the McLaughlin addition and that.

Mr. Robidas answered it is in the main school at McLaughlin.

Chairman O'Neil asked we are doing an addition and it is not part of the addition.

Mr. Robidas answered that would be...

Chairman O'Neil interjected this project is out and going on. It can't be...

Mr. Robidas interjected it would not be included this year. It would be included in the second phase, which we proposed in the CIP over a three-year period.

Chairman O'Neil asked why are we doing a school addition and not including the alarm system as part of it.

Mr. Robidas answered oh I thought you were talking about the access controls.

Chairman O'Neil replied I am talking about access control. We are building an addition and putting conduit in and running wire and we are not going to do the access control or at least make the provision for it?

Mr. Robidas responded we can because that is already there but that would be included as part of the second phase. We discussed, at the time of construction, that McLaughlin has a brand new system that went in so we didn't include it as part of this NORESO package. We talked about changing the system out and I discussed this with Mr. Chapman prior to the construction and we said once the new wing comes online then we will replace the entire system in that school.

Alderman Lopez moved to authorize the Security Manager to utilize \$126,000 of the \$215,000.00 FY2002 appropriation, reflected under 330501 School Capital Improvement Program in the proposed budget and included in the expedited projects, to pay the balance of the contract with G. A. Laflamme for School Security Improvements to be completed and further that the balance of \$89,000.00



be held until the proposed School Security Improvements Project is approved by the Board of School Committee.

Mr. Robidas stated if that is the wish of the Board then what I would like to do is go back to the drawing board with CIP because with that \$89,000 that is appropriated we can probably take of other issues and then push back the access control for an additional year.

Alderman Lopez replied whatever you have to come back to this Committee for the \$89,000. We approved the \$126,000 and you can come back with a plan for the \$89,000.

Mr. Robidas stated there are other issues that we can address with that funding.

Chairman O'Neil stated Deputy Clerk Johnson just made a good suggestion. Why don't we put the \$126,000 as the expedited portion and leave the balance in our regular CIP and that way we don't get confused.

Alderman Cashin duly seconded the motion.

Mr. MacKenzie stated because of the small nature of the bond balance, you would be talking about \$90,000, that would create some real difficulties with bond life and other issues with the bond issuance. The \$215,000 was part of a much larger bond for the School Improvement Program and that is the way we get the larger bond years, bond life and we are able to do more.

Chairman O'Neil asked why can't the \$126,000 be part of that.

Mr. MacKenzie answered again the \$215,000 is part of that overall bond. If you take out the \$90,000 you are thinking of holding to set aside then suddenly it becomes a small bond and that would create difficulties, I believe and I would like the concurrence of the Finance Director.

Alderman Lopez asked am I correct Mr. MacKenzie if we left the \$215,000 in there and take the \$126,000 for FY2001 the remaining money we can still do anything we want with.

Mr. MacKenzie answered yes and the Committee could earmark and tell us to hold that money until the Committee wants to recommend on it. That would be a better solution.

Alderman Lopez asked do you agree with that, Kevin.

Mr. Clougherty answered that is fine with me.

Alderman Shea asked that money now, Kevin that is going for the alarm system is that going to be a chargeback. Are the schools going to know it is a chargeback to them or are you just going to spring it on them at the last minute and they are going to fight with us and say they don't want it.

Mr. Robidas answered they haven't been paying the bills. We have been paying the bills on that.

Mr. Clougherty stated it will be debt and they will pay for it through their debt service and when those bonds are issued, it may not hit this year and we mentioned in the earlier discussion that those bonds will probably have an effect in next year's budget.

Alderman Shea asked but when are they told. This is where the conflict develops because they claim they don't know.

Mr. Clougherty answered I think on the debt we have been pretty good with treating them fairly and that is what that audit shows. The impact, I don't think, would be imminent on them. We will talk to Mr. Chapman and inform him of that.

Chairman O'Neil stated the contract is going to get paid. That is priority number one and we are not defaulting on a contract. If you want to go and sit down with the School Board or Building & Sites or whatever to talk about this access thing for the future, I would suggest you do that.

Chairman O'Neil called for a vote. There being none opposed, the motion carried.

Chairman O'Neil stated I just want to make a comment here. We better not go through this again with the Board of Aldermen seeing a letter in April from August of last year when there was a directive from the Board of Aldermen on what to do. Now for some reason if directives don't work out or something comes up, the Board of Aldermen needs to be informed about it.

Mr. Clougherty replied I agree. I apologize. I should have jumped up that night.

Deputy Clerk Johnson stated I just want to clarify that we have \$215,000 that is going forward as a bond so the directive of the Committee in terms of the \$126,000 will be done through a budget authorization.

Mr. MacKenzie replied yes.

Deputy Clerk Johnson stated in essence the Board is saying hold it, but in reality it has to be budgeted and, therefore, would be budgeted for this project the way I am understanding it.

Mr. MacKenzie stated we would still recommend that the money be budgeted, but when we came to the start-up where we describe the project in detail we would put a hold on the \$90,000 until the Committee released the hold.

Chairman O'Neil addressed Item 6 of the agenda:

Resolutions:

"Amending the 2000 Community Improvement Program, authorizing and appropriating funds in the amount of Twenty Five Thousand Dollars (\$25,000) for the 2000 CIP 511500 Park Improvement Program."

"Amending the 2000 Community Improvement Program, authorizing and appropriating funds in the amount of Nine Thousand Two Hundred and Sixty Five Dollars (\$9,265) for the 2000 CIP #710200 Intersection Improvement Program."

"Amending the 2001 Community Improvement Program, authorizing and appropriating funds in the amount of Twenty Seven Thousand Eight Hundred Sixty Eight Dollars (\$27,868) for FY2001 CIP Health Department Projects."

On motion of Alderman Cashin, duly seconded by Alderman Clancy, it was voted to approve the Resolutions.

Chairman O'Neil addressed Item 7 of the agenda:

CIP Budget Authorizations:

1994	740227	South Willow Street Area Improvements-Revision #7
2000	511500	Park Improvement Program (Bond) - Revision #2
2000	640200	Project Greenstreets-Cash - Revision #4
2000	710200	Intersection Improvement Program - Revision #2
2001	220101	Tuberculosis Control
2001	220401	Lead Poisoning Prevention
2001	220501	Refugee Health - Revision #1
2001	220601	STD Clinic

2001	220701	HIV Prevention Services
2001	220801	HIV Counseling & Testing
2001	221001	Immunization Services
2001	820001	Building Department Archive Project

On motion of Alderman Cashin, duly seconded by Alderman Clancy, it was voted to approve the CIP budget authorizations.

Chairman O'Neil addressed Item 8 of the agenda:

Communication from Richard Davis, Intown Executive Director submitting a request on behalf of Hampshire Plaza (Spaulding & Slye) that the material and equipment used in operating the ice rink still remaining on the Plaza be removed.

On motion of Alderman Clancy, duly seconded by Alderman Lopez, it was voted to refer this item to the Mayor's Office.

Chairman O'Neil addressed Item 10 of the agenda:

Communication from the Director of Planning submitting a request from the Fire Chief seeking start-up funding for the development of an on-going hazardous material cleanup account.

Chairman O'Neil asked is this the one where Harry gets involved.

Mr. MacKenzie answered yes it is. I am not quite sure how to handle this account because it is a relatively small amount of money and typically we would like to put it in the operating budget, but I think they would like to have it carry over from year to year and the best way to do that is a CIP account.

Chairman O'Neil asked so I understand this, it is going to be in the Fire Department's budget now.

Alderman Lopez stated why don't we just approve it and let Mr. MacKenzie work out the details as to where it is going to be and report back to us.

Mr. MacKenzie replied the only caution is I am not sure where we can get the \$2,000 unless we take it out of contingency.

Alderman Lopez stated that is okay. If that is your recommendation we can take it out of contingency. We have to do it.

Deputy Clerk Johnson stated it is my understanding that the funds would only be available from contingency so the recommendation would be for the Board to utilize \$2,000 in contingency. We can check with the Finance Officer to see if that can be established as a non-lapsing account. If it can't then it will have to go in as an amending resolution to CIP transferring it from one monopoly into CIP but we can check with Finance.

Chairman O'Neil asked is that where we want to go with this thing, CIP.

Deputy Clerk Johnson answered they are preferring not to.

Chairman O'Neil asked why don't we just put it in the Fire Department's budget. I think it is crazy.

Deputy Clerk Johnson stated the problem as I understand it is they are requesting a non-lapsing account, which would be a special account and I think that can be established by Finance for use by Fire but you don't want it in Fire's operating budget because then they can't spend it after June.

Chairman O'Neil stated but it should be so that Fire, they get called out and they can take care of the clean up company and then there is an account that pays...right now there are eight different hands in the thing. Are we all set on this?

On motion of Alderman Clancy, duly seconded by Alderman Cashin, it was voted to recommend utilization of \$2,000 from contingency to establish a non-lapsing account.

Chairman O'Neil addressed Item 9 of the agenda:

Communication from the South West Little League Board of Directors seeking funding of approximately \$30,000 to aid in the completion of the Canteen project at the field.

Alderman Clancy asked do we have any money, Bob.

Mr. MacKenzie answered the old phrase about blood from a stone comes to mind. I know that they have been looking for funds. The field has needed some funds in the past. I don't have any quick recommendations for you. \$30,000 is a relatively large amount right now.

Alderman Cashin stated whatever you can find. Can you look and come back to us with something?

Alderman Shea stated South Little League too needs money. We have to be very careful here that we don't open up a Pandora's Box. Not that I don't disagree with him, but I am saying that if we do it for one we are going to have to think about doing it for others. I am not opposed to this. I think they do a wonderful service, but I am just saying that once you open it up and word gets out, Jimmy is up there at East Little League and they are always having fundraisers. I am just saying that you have to be awfully careful.

Chairman O'Neil asked, Alderman Cashin, was there something wrong structurally with this building.

Alderman Cashin answered no. They started building it and they ran out of money. What they have done is gone out and got more loans. I am just asking that if there is an opportunity here we would appreciate it and if not, that is fine.

Chairman O'Neil stated I agree with Alderman Shea. I think we all support the little league and soccer groups and that but do we have a policy and if we don't should we develop one with Parks & Recreation because there are a lot of these clubhouses around all over the City. Have we done something with fields, etc.?

Mr. Johnson stated when we did Southwest Little League a few years ago we did the fields over and we did agree to work on a canteen. I don't know if it has been a policy, but when we have worked with the CIP staff on canteen buildings that have come up at other leagues, a lot of times they want to use those buildings for their own use and that has been the issue. Sometimes when City money is involved we have to make them ADA accessible. It is the same issue...as soon as you put any funding in the bathrooms have to be ADA compliant. We have run into an issue if there are two stories, how do you get access to the second floor. As soon as City money is involved in the project, there are lot more rules and regulations so it has kind of been our written policy that the league typically would fundraise and build their own buildings. They maintain them and then they can use them.

Chairman O'Neil asked do we help out with the fields and that.

Mr. Johnson answered at Southwest Little League, we did renovate the ball fields there and then they agreed to work on the canteen. I understand that the volunteers have changed and I spoke with the President of the league last week to try and help them get their building permit renewed. We understand their plight

but those are some of the issues we have to consider. I know that has been the thought in the past.

Alderman Lopez asked even if it is a match.

Mr. Johnson answered I believe that if any City funds are used that we would have to comply with the ADA transition plan.

Alderman Lopez stated well they all belong to the City. Just because Little League uses them, they still belong to the City.

Mr. Johnson replied but if the City expends City dollars then that is when we would have to comply with those regulations of handicapped toilets and those issues.

Chairman O'Neil stated I do know the discussion just for the press box at Livingston it was more money to put the elevator in than the whole press box.

Mr. Johnson stated in fact at West High School, the project that you are approving now for their new press box and concession building...they had a two story but the Building Department has said, because they actually have to approve the plan and they are asking that we keep it one story and then all of the bathrooms have to be accessible.

Alderman Shea asked you did say that if you worked on the field that that isn't the same as working on a canteen. Is that correct? In other words if somehow or another Southwest could be helped by maybe money that they would have to put into the fields and apply it to the canteen, I don't know. Would that be separate?

Mr. Johnson answered we did do a project there two years ago and their fields are all renovated. At that time, the agreement was that they would work on their building. Volunteers have changed and they have had some trouble getting their funds going on the project. We did put, and I don't know the exact amount, but I think it was close to \$200,000 into the fields at Southwest Little League.

On motion of Alderman Lopez, duly seconded by Alderman Cashin, it was voted to table this item.

### **TABLED ITEMS**

12. Communication from the Director of Planning submitting a copy of a contractor's estimate in the amount of \$152,750 to make repairs to the Blood Mausoleum.

(Tabled 2/13/01)

This item remained on the table.

13. Ordinance Amendment:

"Amending Section 37.03 "Advisory Board" by inserting new language prohibiting persons holding positions within the entity association, or organization designated by the Advisory Board to manage services within the Central Business Service District from serving as members of the Advisory Board."

(Tabled 01/09/01 pending further information from Messrs. MacKenzie and Muller.)

This item remained on the table.

15. Copy of a communication from the Deputy Finance Officer to Alderman Gatsas relative to funding options for Millyard parking facilities.  
(Tabled 9/18/00)

This item remained on the table.

16. Communication from the Director of Planning regarding the possible land acquisition of a piece of property on the westerly edge of Wolf Park.  
(Tabled 9/18/00)

This item remained on the table.

There being no further business, on motion of Alderman Clancy, duly seconded by Alderman Cashin, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee